

Services for evaluating the implementation of The Interreg V-A Romania – Hungary Programme

Service contract No. 280/03.10.2019
Final Evaluation Report

Beneficiary: Ministry of Public Works Development and Administration

Bucharest, Romania

August 2020

Services for evaluating the implementation of The Interreg V-A Romania – Hungary Programme

Service contract No. 280/03.10.2019

Final Evaluation Report

Contracting Authority: Ministry of Public Works Development and Administration

Bucharest, August 2020

Provider

LIDEEA Development Actions (consortium leader)

Archidata srl (associate)

Team Leader Liliana Olivia Lucaciu



Services for evaluating the implementation of
The Interreg V-A Romania – Hungary Programme



Table of contents

1	Introduction	5	
2	Evaluation methodology	6	
2.1	Overview of methods and instruments	6	
2.2	Methodological considerations and limitations	7	
3	Findings, conclusions and recommendations	8	
3.1	Theme 1 - Relevance of the programme to the needs of the EU 2020 Strategy	8	
3.2	Theme 2 Progress of the Cooperation Programme implementation	12	
3.3	Theme 3 - Performance of the implementation system of the programme	35	
3.4	Theme 4 - Projects sustainability	52	
3.5	Theme 5 – Horizontal Principles implementation	53	
3.6	Theme 6 – Evaluability of the impact	54	
3.7	Other questions	57	
3.8	Conclusions and recommendations	61	

The list of tables included

Table 1.	Applicability of the evaluation methods and instruments	08	
Table 2.	Relevance of ROHU Programme to EUROPE 2020 Strategy		14
Table 3.	Relevance of the selected projects to the 12 EUSDR priority areas		14
Table 4.	Forecasted versus achieved programme indicators based on available data at 29.02.2020		16
Table 5.	Total number of projects contracted and under contracting per Ip		16
Table 6.	Committed budget from the total ERDF programme allocation per PA		17
Table 7.	ERDF amounts contracted, under contracting and in submission/evaluation phase (data at 29.02.2020)		17
Table 8.	Programme result indicators achievement		18
Table 9.	Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020		20
Table 10.	Level of achievement at 29.02.2020 of PA1 programme indicators and perspectives for targets achievement		20
Table 11.	Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020		22
Table 12.	Level of achievement at 29.02.2020 of PA2 programme indicators and perspectives for targets achievement		22
Table 13.	Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020		23
Table 14.	Level of achievement at 29.02.2020 of PA3 programme indicators and perspectives for targets achievement		23
Table 15.	Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020		24
Table 16.	Level of achievement at 29.02.2020 of PA4 programme indicators and perspectives for targets achievement		24
Table 17.	Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020		25
Table 18.	Level of achievement at 29.02.2020 of PA5 programme indicators and perspectives for targets achievement		25
Table 19.	Contracted and under contracting ERDF budget per PA and IP, as of 29.02.2020		26
Table 20.	Level of achievement at 29.02.2020 of PA6 programme indicators and perspectives for targets achievement		26
Table 21.	The decommitment thresholds		29
Table 22.	Scenarios estimates of ERDF amounts to be reported, aggregated by the call for proposals (for 2020)		29
Table 23.	Overview of the performance framework targets achievement at 31.12.2018		31
Table 24.	Expenditure reported to FLC at 31.12.2019		32
Table 25.	Rate of achievement of the PF 2018 targets at 31.12.2019		32
Table 26.	Main programme communication indicators and targets achieved		34
Table 27.	Number of applications rejected		35
Table 28.	Comparison HURO – ROHU. Partnerships by number of partners		36
Table 29.	TA allocation and contracted amounts		47
Table 30.	List of TA projects and amounts contracted		47
Table 31.	Percentage of financed contracted by Programme structure		48
Table 32.	Indicators achievement for the TA Priority Axis		48
Table 33.	Composition and structure of the Monitoring Committee		49
Table 34.	Assessment of the counterfactual quantitative methods suitability		58

List of abbreviations

Abbreviations	Explanation
AA	Audit Authority
AB	Audit Body (in Hungary)
AEC	Administrative and Eligibility Check
AIR	Annual Implementation Report
AQ	Additional Questions
BRECO	Biroul Regional pentru Cooperare Transfrontalieră Oradea pentru Granița România-Ungaria (English: Oradea Regional Office for Cross-Border Cooperation)
CA	Contracting Authority
CAth	Certifying Authority
CBC	Cross-Border Cooperation
CF	Cohesion Fund
CN	Concept Note
CPR	Common Provisions Regulation
DMCS	Description of the Management and Control System
EC	European Commission
eMS	The Electronic Monitoring System used by the Programme
ERDF	European Regional Development Fund
ESC	Evaluation Steering Committee
ESIF	European Structural and Investment Funds
EU	European Union
EUR	Euro
EUSDR	European Union Strategy for Danube Region
FAF	Full Application Form
FLC	First Level Control
GDPR	General Data Protection Regulation
HUNA	Hungarian National Authority
HURO	Hungary- Romania Cross-Border Cooperation Programme 2007-2013
Ip	Investment Priority
IP	Information Points
IT	Information Technology
JS	Joint Secretariat
KEs	Key Experts
MA	Managing Authority
MC	Monitoring Committee
MFA	Ministry of Foreign Affairs and Trade
MPWDA	Ministry of Public Works, Development and Administration
NA	National Authority
NKEs	Non-Key Experts
OC	Open call
OP	Operational Programme
PA	Priority Axis
PMS	Projects Monitoring Service
RC	Restricted Call
ROHU	Interreg V-A Romania-Hungary Programme
TE	Technical Evaluation
TIA	Territorial Impact Assessment
TNC	Transnational cooperation
ToR	Terms of Reference

1 Introduction

The current project was required to provide „**Services for evaluating the implementation of The Interreg V-A Romania – Hungary Programme**”.

The **Interreg V-A Romania – Hungary Programme** was approved by the European Commission (EC) on 9th of December 2015 (that we will further refer to as „ROHU Programme”), has 6 Priority Axes (PAs, without the TA Axis) and funding interventions focused on 8 Investment Priorities (Ips). The programme area (also referred in this report as the eligible area of the ROHU Programme) covers eight counties (NUTS III regions), four counties in Romania, Satu Mare, Bihor, Arad and Timiș and four counties in Hungary, Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád.

The current contract falls under the provisions of the Evaluation Plan of this programme (approved in November 2016 and revised in March 2018), namely evaluation of the programme implementation initially planned for the period January-June 2019. The plan also foresees an evaluation of the programme impact in the period October 2021-June 2022, for which the current contract will provide the evaluability analysis.

The evaluation started on **12.10.2019** and had **seven (7) months** duration. The contract budget was RON 222.000, the equivalent of EUR 45,843.14 at the Inforeuro exchange rate for May 2020 EUR1 = RON 4.843. During the contract implementation, the evaluation team submitted monthly activity reports and one intermediary report informing the contracting authority about the progress and challenges encountered. This reporting activity was particularly important in the context of the COVID-19 pandemic, which affected the evaluation processes and required an extension of the contract duration with one month.

The main beneficiaries and the users of this evaluation are the authorities with responsibilities in the Programme implementation, namely the Managing Authority for The Interreg V-A Romania – Hungary Programme (MA), the Hungarian National Authority (HUNA), the Joint Secretariat (JS) – within Oradea Regional Office for Cross-Border Cooperation (BRECO), the Information Points (IP) and the Monitoring Committee of the Interreg V-A Romania – Hungary Programme (MC), to improve their performance in the programme implementation. The target audience for this evaluation includes besides the programme structures, other stakeholders, beneficiaries of the programme, the EC, Interact, other Interreg programmes.

Specific implementation system features:

- The programme continues previous Hungary – Romania Cross-Border Cooperation Programme 2007-2013.
- The designated **MA of the Programme** is the Ministry of Public Works, Development and Administration in Romania, as the body responsible for managing the Programme on behalf of the participating partner countries.
- The other bodies responsible for the Programme Implementation are the Hungarian National Authority (Ministry of Foreign Affairs and Trade) and the Monitoring Committee, a joint body consisting of local and central stakeholders, as well as representatives of civil society from both Member States.
- Funding is offered in the framework of Open and Restricted Calls for proposals. The minimum requirement for a project partnership is the participation of 2 partners, one from Romania and one from Hungary. All the other eligibility criteria are detailed in the Guide for Applicants, specific for each Call.
- The programme adopted simplified cost options (for the administrative costs).
- The programme is using eMS, the electronic monitoring system developed by Interact.

Contract objectives

The objective of the current contract is to evaluate the functioning of the Programme from the moment of its official approval until 29.02.2020 (the new cut-off date agreed with the Contracting Authority based on the actual timing for performing the activities under the contract), to provide useful recommendations for the remaining implementation period also taking into account the internal and external factors that affect the programme implementation.

According to the ToR, the current evaluation will also provide the necessary data for compliance with the provisions of the applicable Regulations on the content of the Annual Implementation Report (AIR); real-time identification of possible problems, the dynamics of the Ips and the opportunity to amend/improve the programme, providing the necessary information on the achievement of results.

Evaluation Questions and Evaluation themes

Due to the large number of evaluation questions requested by ToR (26 evaluation questions), the evaluation is structured on **six evaluation themes**, in order to organise in a more systematic way the methodology and the report. The evaluator proposed three additional evaluation questions (AEQ) to enrich the evaluation

Theme 1. Relevance of the Cooperation Programme to the needs of the EU 2020 Strategy
 Theme 2. Progress of the Cooperation Programme implementation
 Theme 3. Performance of the implementation system of the Cooperation Programme
 Theme 4. Projects sustainability
 Theme 5. Implementation of the horizontal principles
 Theme 6. Evaluability of impact evaluation

AEQ 1. To what extent the links with previous Hungary – Romania Cross-Border Cooperation Programme 2007-2013 contribute to the performance of the programme and projects.
 AEQ 2. To what extent the projects financed are complementary or in synergy with the projects funded from ESIF in the eligible area.
 AEQ 3. What changes are necessary for the future programme to improve the relevance, effectiveness and sustainability of the cross-border cooperation projects.

In Annex 1, Section 1.3. the evaluation questions, allocated by theme, are presented together with the additional evaluation questions proposed to consolidate the answers and the expected results of the evaluation.

2 Evaluation methodology

This section presents an overview of the methods and instruments applied, and the key methodological considerations, the detailed methodology planned and implemented is included in Annex 1, Section 1.2.

2.1 Overview of methods and instruments

The general picture of the methodology is structured on the six evaluation themes covering all the evaluation questions included in the ToR, and the three additional questions. For two instruments, the survey and the territorial representation, it was decided to extend their use for Themes 4 and 5 respectively Theme 2, as proposed in the Inception Report.

The correspondence between the evaluation methods and instruments on one side and the evaluation questions on the other side is presented in the table below. It shows that the conclusions of each evaluation question rely on multiple sources as a primary condition for robust evaluation.

Table 1. Applicability of the evaluation methods and instruments

Method/instrument/	Theme 1	Theme 2	Theme 3	Theme 4	Theme 5	Theme 6	AQ 1	AQ 2	AQ 3
The desk research study of documents	✓	✓	✓	✓	✓	✓	✓	✓	✓
Statistical and administrative data collection	✓	✓	✓					✓	
Interviews	✓	✓	✓	✓	✓		✓	✓	✓
Survey	✓	✓	✓	✓	✓		✓	✓	
Case study	✓	✓	✓	✓	✓		✓	✓	✓
Stakeholders analysis	✓		✓	✓					
Analysis of data	✓	✓	✓	✓	✓	✓	✓	✓	✓
The logic of intervention model	✓	✓		✓	✓	✓			
Territorial representation of data	✓	✓							
Impact evaluability analysis						✓			
Focus Group	✓	✓	✓	✓	✓		✓	✓	✓

Legend: ✓ = applied / Themes are listed in section 1

2.2 Methodological considerations and limitations

Although apparently, the programme evaluated is relatively small and straightforward, the methodological challenge was high for three main reasons:

- The complexity of the programme with eight Investment priorities from different sectors, a broad range of stakeholders and context data in two countries.
- The vast number of evaluation questions covering a wide range of the programme and projects features. The questions required in-depth analysis and rigour in data collection, processing and argumentation.
- A high impact change in the context of the programme – the COVID-19 pandemic – at the end of the evaluation, which required a revision of the entire evaluation to capture as much as possible the real situation.

The evaluator found it difficult to reflect the essential findings in a structure with so many evaluation questions. Therefore, already in the technical proposal and the inception report, the evaluation was concentrated on evaluation themes, reflecting all the evaluation questions requested by the terms of reference. However, drafting the final report, the order of the questions was changed to ensure a natural flow of the analysis and sequencing of the findings.

Despite the large volume of information, the team maintained the size of the main report at a reasonable number of pages (60) to allow a fluent reading, guiding the reader to annexes where details are included.

The evaluator found a large number of stakeholders interested in the programme performance and ways to improve the implementation, contributing to the evaluation, sometimes with contradictory opinions. The evaluator is grateful to all of them for the effort and did the best to capture all opinions, however sometimes aggregated with others or reformulated, but for sure not neglecting any of them. The approach was that even if isolated, any opinion should be considered, mentioning that it cannot be generalised to the entire population studied. Therefore, we point out that even if not explicitly found in the main body of the report, the data collected is, however, captured in the relevant annexes.

The evaluation developed a significant number of tools that could be further used in the programme management, among which we highlight:

- Territorial representation of data – GIS map, available at <http://www.open-data.ro/#7/46.161/22.917>.
- Analysis tools: intervention logic, stakeholders' analysis, evaluability, indicators system, decommitment risk assessment tools, complementarities analysis.

The implementation methodology benefited from positive factors and was affected by several constraints.

(+) the excellent cooperation with the MA, HUNA and JS ensured: access to data, in adequate formats, constructive feedback on the tools, their adequacy to the style, expectations and preferences of the stakeholders, facilitated access to beneficiaries for data collection and increased participation of the stakeholders to the evaluation activities.

(+) this evaluation has strong foundations on the methodologies and collection of primary data. A very large number of interviews, with a broad range of stakeholders, were carried out, field visits in all eight counties allowed the evaluators to understand and focus the evaluation on the key features of the programme.

(-) several constraints faced during the evaluation, the undertaken actions to address these are outlined below.

The responsiveness of the participants in the survey was lower than expected:

- 349 invitations were sent to project beneficiaries and unsuccessful applicants out of which 138 participated in the survey, and 89 provided the full response. The response rate (based on complete responses) is 25.5%. 2, 94% of the respondents did not accept the processing of personal data according to the GDPR Regulations. The participation to the survey is unbalanced across the counties Hajdu-Bihar, Bekes and Satu Mare have 6,82 % of the total answers, while Szabolcs-Szatmar-Bereg, has only 4,55%.

The participation in the Focus Group organized in Bekescsaba was low, and the online forum created for people who could not attend physically was not used by the 34 beneficiaries invited.

The COVID restrictions of mobility had two folded effects: on the one hand, imposed the replacement of face-to-face interactions with the beneficiaries and on another had slowed down all the evaluation activities.

The evaluator filtered the broad range of findings to channel the conclusions towards those issues that appeared critical (from the point of view of the evaluator) and were confirmed in the research by the stakeholders interviewed. The formulation is more extensive for the conclusions and more concise for the recommendations because the details for the recommendations were included in the action plan Annex 2.20. The evaluator highlights that a vast number of findings included in response to the evaluation question provides an in-depth understanding and could inspire future targeted improvements.

3 Findings, conclusions and recommendations

3.1 Theme 1 - Relevance of the programme to the needs of the EU 2020 Strategy

Evaluation questions

T1.1. Did the needs in the eligible area change in time (from the programming moment to present)? The Program objectives are still relevant in the current socio-economic context? (additional question).

Was the design of the Cooperation Programme appropriate for its stated goals, outputs and outcomes? (additional question)

T1.2. Were the Programme objectives and interventions in line with the EU Strategy 2020 priorities? (additional question)

T1.1. Relevance of the programme objectives to the current needs. The appropriateness of the Cooperation Programme to its stated goals, outputs and outcomes.

Cross-border cooperation areas are specific areas that often face common challenges which are magnified by the borders and different administrative, social and economic realities as well as linguistic and geographic barriers. The ROHU Programme is expected as the other 56 Interreg V-A programmes to mitigate the problems and address the development needs of the population along the border between Romania and Hungary and contribute to European Cohesion.

The programme integrated **eight (8) Ips into six (6) PAs - without the Technical Assistance (TA) Axis**, selected to respond to a large number of development needs on the two sides of the border. There is a largely shared opinion that the programme structure satisfies similar needs on the two sides of the border. However, there are significant differences regarding the prioritization of investments. According to the interviews and the programming documents, while for the Romanian stakeholders, the main priority is investing in *health infrastructure*, for the Hungarian stakeholders, main priorities are investments in *cultural heritage and economic development*.

The research confirmed that the needs identified continue to justify the interventions funded. However, the demand, in terms of projects proposals submitted, for some investment priorities, was below the expectations and plans and funds were reallocated. Although the investment priorities continue to have high relevance for the needs in the eligible area, the context and the programme implementation, (such as delays associated with the price increases, the state aid rules introduced, constraints in supporting SMEs), did not allow the development and the submission of the initially identified projects. This was the case of Ip for 7b (the allocation decreased from 17.53% to 9.13% of the total ERDF budget), and for 8b (decreasing from 24.75% to 16.22%). The funds were increased for 9a (from 25.63% to 38.25% of the total ERDF budget), and 5b from 4.29% to 5.83% of the total ERDF budget.

The demand for Ip 7b “Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes” was challenged mainly by the fact that Romania did not enter the Schengen area, which was an assumption for the 2030 programme vision: “*Romania is member of the Schengen zone, thus there are no real physical barriers remained in the way of cooperation, borders can be crossed without being stopped for control purposes.*”¹ The research also revealed that the Ip 8b² funded interventions focused on training and education measures, more than on economic development, as it was envisaged in the programming phase and reflected in the intervention logic actions (see Annex 2.9).

The programme is perceived as being relevant to the needs of the eligible area, offering opportunities for addressing a diverse range of local needs. The survey reveals that 50% of the respondents consider the Programme is relevant for their needs to a large extent, 42% to a moderate extent and only 6% to a low extent. Survey results are presented in Annex 2.4. The stakeholders confirmed in the interviews and in the focus groups that the Programme offers opportunities to address their needs and could not suggest other eligible actions and expenditures be added.

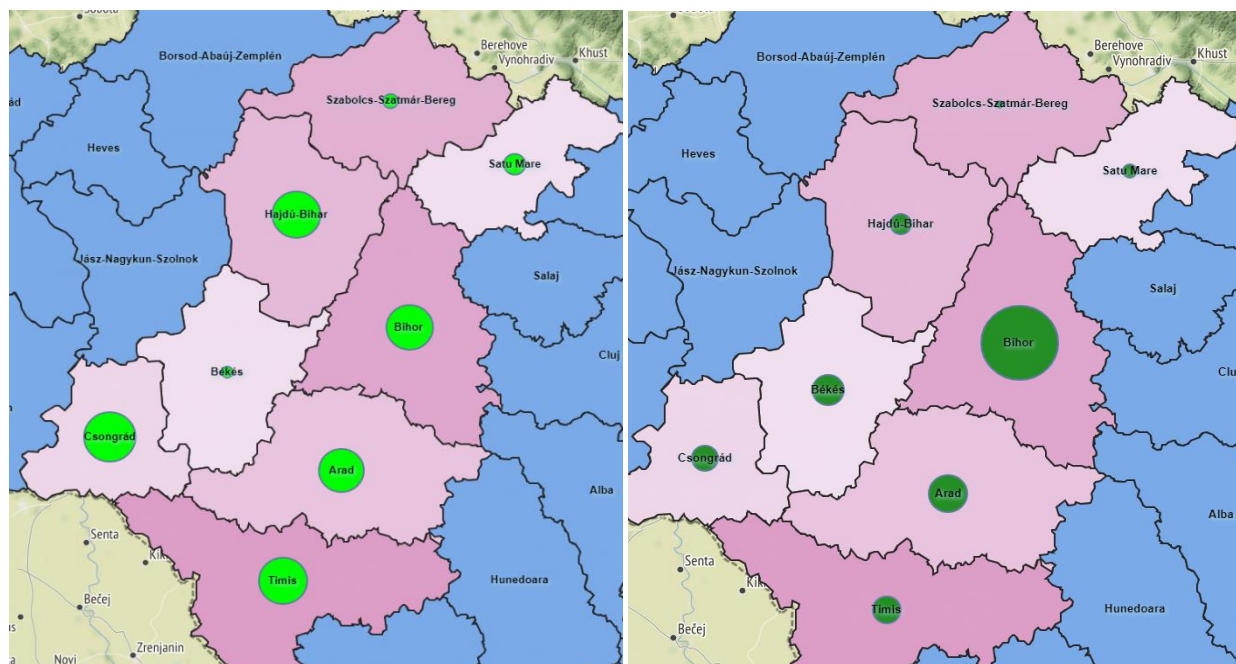
The interviews with different types of stakeholders revealed that the Programme challenge was to address “the **common needs** on the two sides of the border with **different priorities**”. Therefore, the projects (mainly the flagship ones) emerge as a mutual understanding of the counties across the border, to help each other to satisfy their priority investment needs. This is based on a sound and long cooperation between the counties, and the current good relations at all levels, decision-makers and projects’ operational staff, evoked in the interviews. This fact is reflected in the flagship projects budgets.

¹ Annex II – Common Territorial Strategy, page 34.

² “Supporting employment friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources”

The good cooperation was also a basis to ensure a balanced distribution of the funds across the area, in case of the flagship projects. This is in line with the planning principle stated in the Common Territorial Strategy “Balance and reciprocity”, in the framework of fair competition within the selection process. This was possible under the restricted calls for proposals for the flagship projects. The flagship projects contracted to date reveal a balanced distribution³ of funds among the counties, compensating a significantly unbalanced one in case of the normal projects. See maps in Annex 2.11 or GIS maps accessing the <http://www.open-data.ro>.

Figure 1: Distribution of funds contracted so far by county for flagship projects (left map) and normal projects (right map). Source data ROHU monitoring data at 29.02.2020 author calculation



Although the programme succeeded to allocate funds for the flagship projects in a balanced way in the eligible area, the level of integration of the projects’ activities and results on the two sides of the border is low for the flagship projects. This aspect is visualized from the data analysis in Annex 2.12 Flagship projects overview, and further on explained.

Firstly, the main activities of the projects (in general, except the Ip 11b projects) are mirrored and complemented with exchanges of experiences, plans for the future and networking. This is reflected in the case studies and flagship projects overview. **Secondly**, the mirrored parts of many projects are unbalanced on the two sides of the border, clearly reflected in the share of the ERDF budget between the partners. Thus, the ERDF value contracted for partners on one side of the border may be 13 times higher than for the partners on another side. This rate of unbalance⁴ varies between 13 and 1.89 in case of the flagship projects budget and even higher in case of the Concept Note contracts, where the rate of unbalance is between 11 and 21, which is explained by the fact that the technical documentation is required only for the infrastructure investments dominant on one side of the border.

The ROHU Programme was approved in December 2015, after a long programming process resulted from the negotiations for the investment priorities and the programme structures, confirmed in several interviews and the focus group. Finally, a large number (eight) Ips had to be included in the programme to satisfy all needs. However, this was not in line with the recommendation of the Ongoing Evaluation of HURO Cooperation Programme (2013) to ensure a concentration of funds on a smaller number of priorities. This is a low concentration, the lowest compared to other similar programmes (e.g. other Interreg programmes in which Romania and Hungary are involved in, where the number of Ips ranges from two (2) in case of Slovenia Hungary Cooperation Programme and seven (7) for Romania Bulgaria Cooperation Programme).

The interviewees involved in the programming phase shared the opinion that the process was not only long but also demanding, the participants putting effort to understand the new regulations, to understand the content of the investment priorities, to select the most suitable indicators. There are views that although assistance was available in the current programming period, experts’ support will be needed for the future programme to help – in a more effective way – to understand the regulations with all the nuances that later may affect the implementation.

³ The figure captures the dynamic map of the ERDF values contracted. Szabolcs-Szatmár-Bereg and Satu Mare have two flagship projects in evaluation and Bekes with Arad one flagship project, therefore their allocation appears smaller. The ERDF value of the three projects is expected to balance the funding across the eight counties.

⁴ The rate of unbalance was calculated for each project as the sum of ERDF contracted values of the partners on the side of the border with the largest share in the total budget divided by the sum of the ERDF contracted values of the partners on the other side of the border.

The long period of negotiation for an agreement on the programme structure appears as a high cost for the Programme because it caused the delay in the Programme approval and a chain of problems over the entire implementation. Compared to other EU CBC programmes in terms of projects contracted (number and ERDF funds), ROHU has a delay of around two years. Detailed analysis in Annex 2.13 shows among other comparative features, the peak of contracting for the 51 CBC programmes (for which data is available on www.keep.eu) is 2017 while for ROHU is 2019. This subject is further analysed in Theme 3 of this report.

The COVID-19 pandemic itself and the economic and social crisis expected will change with no doubt the context of the Programme. It may change the priorities of the stakeholders in the eligible area. At the time of the submission of this evaluation report, there is no specific information about the duration of the pandemic, mobility restrictions imposed and even less about the social and economic effects.

The European Commission released the forecasts for the EU member states on 6th of May 2020 indicating a strong economic and social impact with a severe dropdown of GDP (7.4%) and an increase of the unemployment rate in the EU from 6.7% in 2019 to 9% in 2020. Similar trends in Romania and Hungary are detailed in Annex 2.14. They indicate a potential significant impact on the context and relevance of the interventions in case of Ip 6c, Ip 8b, Ip 9a, Ip 5b, Ip 11b.

Main findings

The evidence collected in the research reveals that the Programme remains relevant to the needs, the counties succeeded through cooperation to use the funding opportunity and resolve the priority development needs they encountered.

However, the limited matching of the priorities of the eight counties, reflected in the low degree of cross-border integration, more evident in the case of flagship projects, limits the contribution of the programme to the cohesion across borders in the entire eligible area.

The programming process did not succeed to create an adequate platform for discussion to inspire and help the stakeholders to integrate in an efficient way their plans and priorities in the shared vision formulated in the Common Territorial Strategy. However, the delays and the time pressure stimulated the decision-makers and stakeholders to adopt more constructive approaches and speedup the programme implementation.

T1.2. Relevance to EUROPE 2020 Strategy

The relevance of the ROHU Programme to the EUROPE 2020 strategy is assessed, starting with the planned contribution in the programme design. The ex-ante evaluation of the ROHU Programme verified its consistency with the Europe 2020 strategy and assessed to what extent the Programme is likely to contribute to the strategy's objectives. The assessment concluded that all specific objectives are in line with one or more priorities of Europe 2020 Strategy and flagship initiatives.

In this evaluation, the assessment is based on the effective interventions funded, on a three levels scale: high relevance (the interventions have a direct contribution to the EUROPE 2020 objectives and targets), moderate relevance (the interventions have indirect contribution) and the third level, low relevance (the interventions have no or weak indirect contribution). The assessment is visualised in table 2 while in Annex 2.15, the links with the EUROPE 2020 objectives and targets are further detailed. The synthetic view provided in table 2 for limited space reasons, shows that at least two Ips have a direct contribution to each strategic priority. At the same time, the focus appears to be on the Sustainable Growth priority, with four Ips having a direct contribution.

The *Smart Growth* priority is mainly supported by the interventions funded by ROHU for investments in economic development, promoting quality of the employment and supporting labour mobility (Ip 8b), investments in cultural and natural heritage aiming to develop the tourism sector in the area (Ip 6c). The relevance to *Sustainable Growth* is high for the interventions funded by Ips 6b and 6c, Ips 7c and 5b. The interventions funded under Ips 8b, 9a – improving access to education, training and employment and health services have high relevance to the *Inclusive Growth*.

The ROHU Programme area is also part of the Danube Region, and it was expected to contribute to four priority areas of the European Union Strategy for Danube Region ⁵

- Priority Area 1B "To improve mobility and inter-modality - rail, road and air."
- Priority Area 3 "To promote culture and tourism, people to people contacts";
- Priority Area 4 "To restore and maintain the quality of waters."
- Priority Area 5 "To manage environmental risks."

⁵ EUSDR is one of the two macroregional Strategies of the European Unions. The Danube Region, which covers 9 EU Member State countries (Germany, Austria, Hungary, Czech Republic, Slovak Republic, Slovenia, Romania, Bulgaria and Croatia – this latter as of 1.7.2013) with 115 Million inhabitants (approximately 23 % of the total population of the EU) as well as 5 non-EU Member States (Croatia, Serbia, Bosnia and Herzegovina, Montenegro, Ukraine and Moldova).

Table 2. Relevance of ROHU Programme to EUROPE 2020 Strategy

Priority Axes	OT/ IP	Specific Objectives	Relevance to EU 2020 priority Smart Growth	Relevance to EU 2020 priority Sustainable Growth	Relevance to EU 2020 priority Inclusive Growth
1.	06 Preserving and protecting the environment and promoting resource efficiency Ip 6b/ Ip 6c	SO6/b - Improved quality management of cross-border rivers and groundwater bodies	Moderate	High	Low
		SO6/c - Sustainable use of natural, historical, and cultural heritage within the eligible area	High	High	Low
2.	07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures Ip 7b/ Ip 7c	SO7/b - Improved cross-border accessibility through connecting secondary and tertiary nodes to TEN-T infrastructure	Moderate	Low	Moderate
		SO7/c - The increased proportion of passengers using sustainable – low carbon, low noise – forms of cross-border transport	Moderate	High	Moderate
3.	08 - Promoting sustainable and quality employment and supporting labour mobility Ip 8b	SO8/b - Increased employment within the eligible area	High	Low	High
4.	09 - Promoting social inclusion, combating poverty and any discrimination Ip 9a	SO9/a - Improved preventive and curative health-care services across the eligible area	Moderate	Low	High
5.	05 - Promoting climate change adaptation, risk prevention and management Ip 5b	SO5/b - Improved cross-border disasters and risk management	Moderate	High	Moderate
6.	11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration Ip 11b	SO11 - Intensify sustainable cross-border cooperation of institutions and communities	Moderate	Moderate	Moderate

High – at least one intervention with a direct contribution to the priority

Moderate - at least one intervention with an indirect contribution to the priority

Low - no or weak indirect contributions to the priority

The analysis of the projects selected within the ROHU Programme Ips show their relevance to the 12 priority areas of EUSDR, as visualized in the table below.

Table 3. Relevance of the selected projects to the 12 EUSDR priority areas

EUSDR Priority Areas	Ip 6b	Ip 6c	Ip7b	Ip7c	Ip8b	Ip5b	Ip11b
PA 1A Waterways and mobility							
PA 1B Road Air and Mobility							
PA 2 Sustainable Energy							
PA 3 Culture & tourism							
PA 4 Water Quality							
PA 5 "Environmental risks."							
PA 6 Biodiversity, Landscapes Air Soil Quality							
PA 7 Knowledge Society							
PA 8 Competitiveness of Enterprises							
PA 9 People & Skills							
PA 10 Institutional Capacity & Cooperation							
PA 11 Security							

Positive factors for the contribution of the ROHU Programme to the EUSDR are the participation in the Monitoring Committee (MC) of the representative of Hungary in the EUSDR Steering Committee and rewarding the contribution to EUSDR of the flagship projects. On the other hand, the additional one (1) point in the total of 100 in the scoring grid has a limited effect, and the beneficiaries proved in the interviews to have limited awareness regarding the EUSDR. The beneficiaries did not make the best use of the opportunity to consult and obtain a recommendation letter from the EUSDR Steering Group, providing the support for the submission and later the implementation of the projects coherent with its priorities. Additional benefits could be enhanced by building future interventions on EUSDR projects results.

Main findings

The ROHU Programme has a balanced contribution to the EUROPE 2020 Strategy priorities and targets as well as for the relevant priority areas of EUSDR. However, the extent of the contribution is limited due to the level of funding, and the reduced thematic concentration, considering the split of the ERDF funding of EUR 177.79 million (excluding technical assistance) in eight investment priorities. The beneficiaries do not fully use the EUSDR potential support.

3.2 Theme 2 Progress of the Cooperation Programme implementation

valuation questions
<i>T2.1. Will the progress to date (29.02.2020) lead to the achievement of the targets of the programme indicators? If not, what are the causes, and how could they be addressed? (Q12, Q20). Are all the stages aimed at activities related to project generation and until contracting effectively completed? (Q14)</i>
<i>T2.2. To what extent were the projects' objectives achieved or about to be achieved? What are the internal and external factors influencing the projects' objectives achievement? (Q19)</i>
<i>T2.3. Is there a risk of decommitment? What specific activities can be considered to minimize the risks of decommitment? (Q13, Q21)</i>
<i>T2.4. Are the performance indicators easily achievable, what are the negative factors and to what extent they served the initial scope? (Q23, Q24, Q25)</i>
<i>T2.5. Has the Cooperation Programme been able to raise awareness and attractiveness regarding funding opportunities? (Q18). Has the Cooperation Programme succeeded in attracting, so far, new partners/stakeholders? (Q16). What obstacles have been identified regarding the involvement of the stakeholders in the Cooperation Programme and what measures should be taken in the implementation of the Cooperation Programme, starting from the findings / conclusions of the evaluation (for example, reducing administrative burden, simplifying Programme procedures)? (Q17)</i>

T2.1. Will the progress to date (29.02.2020) lead to the achievement of the targets of the programme indicators? If not, what are the causes, and how could they be addressed? (Q12, Q20). Are all the stages aimed at activities related to project generation and until contracting effectively completed? (Q14).

The assessment looks at the aggregated achievements reported at the project level, the achievements of the result indicators targets and the Programme processes showing the progress in implementation. This approach is needed because the stage of the calls for proposals, evaluation, selection and contracting and projects' implementation set the framework for the achievements at the project level, contributing to the Programme objectives.

Achievement of the programme output indicators targets

A first overall image of the achievements of the Programme is provided by the comparative data about (1) achieved outputs reported at the project level, and aggregate, (2) programme output indicators target and (3) estimated achievements based on contracted projects. The analysis is based on the reported achievements against the planned targets in each project, as stated in the application forms.

The eMS records present real outputs produced and reported by beneficiaries in the quarterly reports, therefore in case of some projects the achievements are not reflected in the data downloaded from the system at the cut-off date 29.02.2020. Thus, most of the indicators at the programme level have zero achievements.

The further analysis looks at the likelihood of the programme indicators' targets to be achieved based on the expected achievements at the project level, as planned in the project applications. The target values set for 2023 for the output indicators at the programme level are fully covered by the projects' forecasted targets as per the individual Application Forms⁶, as it can be seen in table 4.

Table 4 shows achievements to date for PA 6 (indicators 11b1 and 11b2). This is mainly because part of the similar projects was finalized or are close to being finalized, but also because the two indicators, especially 11b2, allow reporting along the project implementation period. Similarly, PA 5 (indicator 5b1) reported some achievements to date, which are attributed exclusively to the finalized project ROHU 41. For the rest of the indicators, it was reported zero or

⁶ There were considered the forecasted targets from application forms both from contracted and under contracting projects

close to zero achievements to date. However, the zero figure *per se* does not indicate the low achievement of the project indicators and thus does not lead to the conclusion that those projects are at risk of not achieving their results. The primary rationale for the zero achievement is mainly the early stage of the projects to report indicators, combined with the fact that, due to their nature, most of the indicators can be reported only at the end of project implementation.

The stage of the Programme implementation to date is shown in Table 5, which indicates the number of projects contracted and in the contracting phase at 29.02.2020.

Table 4. Forecasted versus achieved programme indicators based on available data at 29.02.2020

PA	SO	Programme Indicator	Target value forecasted in Appl Form	Achieved target value 2020	Programme target value 2023	Estimated percentage of achievement
PA1: Joint protection and efficient use of common values and resources (Cooperating on common values and resources)	6b	6/b 1 Number of measurement points positively affected by the interventions (after the completion of the project)	9.00	0	7.00	128.6%
	6c	CO23 Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	144,133.58	43	6,000.00	2402.2%
	6c	CO09: Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	129,723.00	0	61,000.00	212.7%
PA2: Improve sustainable mobility and remove bottlenecks (Cooperating on accessibility) cross-border	7b	CO13 Roads: Total length of newly built roads	12.14	0	12.00	101.2%
	7b	CO14 Roads: Total length of reconstructed or upgraded roads	20.06	0	18.00	111.4%
	7c	7/c 1 Number of cross-border public transport services developed / improved	16.00	0	5.00	320.0%
	7c	7/c 2 Total length of newly built bicycle road	19.72	0	17.00	116.0%
PA3: Improve employment and promote cross-border labour mobility (Cooperating on employment)	8b	CO44 Labour Market and Training: Number of participants in joint local employment initiatives and joint training	28,304.00	0	10,000.00	283.0%
PA 4: Improving health-care services (Cooperating on health-care and prevention)	9a	9/a 1 Population having access to improved health services	12,525,318.00	0	3,911,505.00	320.2%
	9a	9/a 2 Number of health-care departments affected by modernized equipment	158.00	0	58.00	272.4%
PA5: Improve risk-prevention and disaster management (Cooperating on risk prevention and disaster management)	5b	5/b 1 Population safeguarded by improved emergency response services	3,170,776.00	21768	970,000.00	326.9%
PA6: Promoting cross-border cooperation between institutions and citizens (Cooperation of institutions and communities)	11b1	11/b1 Number of institutions directly involved in crossborder cooperation initiatives	36.00	9	36.00	100.0%
	11b2	11/b2 Number of people participating in cross-border cooperation initiatives	18,995.00	3818	2,000.00	949.8%

Source: eMS – aggregated output indicators table and forecasted indicators extracted from individual Application Forms for the approved projects in the contracting phase at 29.02.2020

Table 5. Total number of projects contracted and under contracting per Ip

Contracted projects at 29.02.2020	11b1	11b2	5b	6b	6c	7b	7c	8b	9a	Total
Restricted Call 1 – flagship projects - Concept Note							1			1
<i>Restricted Call 1 – flagship projects – Full Application Form⁷</i>							1			1
Restricted Call 2 – flagship projects - Concept Note									5	5
<i>Restricted Call 2 – flagship projects – Full Application Form</i>									3	3
Restricted Call 3 – flagship projects - Concept Note					3			1		4
<i>Restricted Call 3 – flagship projects – Full Application Form</i>						2				2
Open Call 1 - normal projects			10		11					21
Open Call 2 - normal projects	10	22		2			2			36
Open Call 3 - normal projects							1	9	9	19
Total projects contracted	10	22	10	2	14	1	3	10	14	86
Projects in the contracting phase at 29.02.2020										
Open Call 3 - normal projects							1	9	3	13

⁷ We refer to FAF as flagships contracts (respectively projects) concerning the main activities except the technical documentation which is part of the Concept Note (CN) phase

Restricted Call 3 – flagship projects – Full Application Form								1	1		
Total projects in the contracting phase								1	10	3	14

Summarizing the figures from Table 5, at the implementation stage we note that seven (7) calls for proposals have been launched, three (3) for normal projects and four (4) for flagship projects. Because the 1st restricted call for flagship projects was relaunched, we will consider further in the analysis three calls for flagship projects 86 projects were contracted, out of which 76 normal projects and 10 flagship projects, of which six (6) have Full Application Form⁴ (FAF) submitted and approved, the rest of 4 having only the Concept Note approved. Another 14 projects, 13 normal and one flagship - at the stage of FAF- are in the contracting phase.

In the same context, as revealed by Table 5, the projects approved (contracted and under contracting) have a cumulated ERDF value of 151,334,312 EUR, representing 103.9% of the entire programme allocation, launched in the form of Call for Proposals. The figures from the table show that the committed ERDF budget rate is lower for those investment priorities, which include flagship projects. This situation is because the related Full Application was not contracted yet and applies explicitly for Ip 6c (1 project) and 9a (2 projects).

If we also consider the amount estimated for the three (3) FAF to be contracted in the very next period, we can conclude that **the entire ERDF budget allocation is committed**.

Table 6. Committed budget from the total ERDF programme allocation per PA

Priority Axis	Investment objectives	ERDF Allocation	Contracted	Contracting phase	Submission and evaluation phase	Comments	% committed
PA 1	6b, 6c	43,067,515	33,785,402.11		10,622,290.92	ROHU456 in precontracting phase (FAF associated to CN of ROHU349)	103.1%
PA 2	7b, 7c	17,268,247	14,777,237.16	2,491,010			100.0%
PA 3	8b	30,673,795	10,398,482.20	20,275,312.67			100.0%
PA 4	9a	72,347,288	47,613,912.26	6,518,027.01	22,729,641.54	ROHU453 (FAF associated to CN of ROHU236) and ROHU457 (FAF associated to CN of ROHU245) in submission/evaluation phase	106.2%
PA 5	5b	11,022,135	11,833,716			over-contracting	107.4%
PA 6	11b	3,411,372	3,641,213.22			over-contracting	106.7%
		177,790,352	122,049,963	29,284,349.68	33,351,932.46		103.9%

Due to the late start of the Programme, the entire allocation by Ip was launched in the form of calls for proposals starting with December 2016, the submission of applications being finalized in 2018. The number of selected projects (including those on over-contracting for open calls (OC) up to the allowed limit of 110%) is sufficient to ensure the use of the entire ERDF allocated budget. Consequently, no other calls for proposals are expected and planned.

At the cut-off evaluation date of 29.02.2020, the contracting phase continued for 13 normal projects⁸ and one (1) flagship project⁹ (FAF only), while other three (3) flagship projects were in the phase of FAF submission and evaluation¹⁰. It is expected that at the latest on 01.07.2020 all these remaining contracts will start the implementation.

The ERDF budget corresponding to the projects in different stages - **contracted projects + under contracting projects + projects in submission and evaluation phase** - fully cover the total ERDF allocation for all Ips. The table below reflects that the entire ERDF budget allocated at the Programme level is fully committed.

Table 7. ERDF amounts contracted, under contracting and in submission/evaluation phase (data at 29.02.2020)

ERDF allocated at the Programme level EUR	177,790,352.00	
ERDF contracted (EUR)	122,049,962.95	76 normal projects 6 full flagship projects (CN+FAF) 3 on 9a + 1 on 7b + 2 on 6c 4 CN for flagship projects 2 on 9a + 1 on 8b + 1 on 6c
ERDF contracting phase (EUR)	29,284,349.68	13 normal projects

⁸ At the reporting date from the 13 normal projects under contracting, half of them were already contracted

⁹ At the reporting date, the flagship project was contracted

¹⁰ At the reporting date, 1 of the flagship projects is in precontracting phase, for 1 flagship the written selection procedure was launched with deadline 18.05.2020, and 1 flagship is in the quality evaluation phase

		1 FAF for flagship project 1 on 8b ¹¹
ERDF submission and evaluation phase (EUR)	33,351,932.46	3 FAF for flagship projects 1 on 6c + 2 on 9a
% committed	103.9% ¹²	

At the time of reporting (May 2020) all stages related to project generation are completed, the MA not planning to launch other calls for proposals. The three (3) flagships projects progressed, and only one was still in evaluation.

The assessment is based on the aggregation of data from the project level. Extensive analysis for each Ip is subject of section T2.2. We present here a synthesis based on the evidence collected at the Ip level from the monitoring system, case studies, survey and interviews.

Table 4 shows the reported outputs at the end of February 2020 are modest, but due to the late start of the implementation of the Programme. The projects contracted under the first open call within Ip 6c, Ip 5b and Ip 11b have been finalised or are close to the end of their implementation period. Therefore, for these Ip, there are outputs delivered contributing to the achievement of the programme output targets. The estimated achievements based on planned outputs in the contracted and contracting projects meet the targets, in some cases exceeding them by far. Further details at the project level are discussed in section T2.1.

Achievement of the programme result indicator targets

At the start of this assessment, the evaluator acknowledges three main limitations regarding the achievement of the result indicators targets and their measurement.

1. The result indicators defined are effects outside the area of influence of the interventions funded by the Programme with many other contributions. Therefore, the Programme is expected to have a contribution which was assessed as a difference between the baseline and estimated target. It is essential to bear in mind that the achievement of the target depends on (1) the contribution of the intervention (how well the Programme succeeds to do what it intended to do) but also on (2) relevant changes outside the intervention, such as other interventions or the economic and social environment.
2. The type of the result indicators (as described above) corresponding to effects of the interventions cannot be aggregated and are subject of measurements based on the methodologies proposed and included in the programme document.
3. The stage of the Programme implementation, with a low extent of the actions implemented and outputs achieved, does not provide reasons to believe significant effects at the “results” level could have been generated.
4. Programme management structures identified several issues regarding the adequacy of the result indicators, to measure the achievement and the specific objectives’ targets. The concerns were confirmed by a study commissioned by BRECO in 2018: “Assessment of methodologies for defining the output and result indicators, the milestone output targets and the financial milestones for the Interreg V-A Romania-Hungary Programme” to which we will refer further on in this evaluation report as **Indicators Assessment (2018)**. The study proved the result indicators have several weaknesses that will limit their ability to measure the programme achievements. They include weak cause-effect links between the intervention, outputs and the results, unreliable baseline, and target values due to insufficient rigour of the methodologies adopted for measurement. Therefore, to some extent, the interventions implemented may have generated effects and contributions to the results targets, but in some cases, they are not reflected in the indicators’ values.

The main findings of the analysis are synthesized in Table 8.

Table 8. Programme result indicators achievement

Programme results indicators	Baseline	Target	Achievement*	Comments current achievement and perspectives to meet the target (*, ** ¹³)
6b -Water quality (ecological condition) of cross border rivers at the measurement points in the eligible area	2,46	2,39	No contribution to the result target	None of the projects contracted has produced the expected outputs to date. * Potential measurement limitations ** There is no contribution of the intervention to the result target.
6c - Tourist overnight stays in the eligible programme area	4,885,294.00	5,485,294.00	Potential contribution to the result target	Non-realistic scenarios for evolutions of result indicator.** Result indicator target already met without the contribution of the intervention. **

¹¹ At the time of the evaluation report submission the flagship on IP8b was contracted and two others finalised the evaluation phase.

¹² Some changes in the projects budgets may occur in the next period

¹³ * source: monitoring data processed by the evaluator; ** “Assessment of methodologies for defining the output and result indicators, the milestone output targets and the financial milestones for the Interreg V-A Romania-Hungary Programme” (2018)

				The link with the outputs is weak ** Outputs are delivered by natural heritage interventions* There is a potential contribution to the result target, but cannot be capture with the current indicator methodology
7b - Cross-border population served by modernized infrastructure leading to TEN-T	356,076.00	435,794.00	No contribution to the result target	The resulting target will be achieved at the end of the project (there is one flagship project funded) implementation.* Project is not finalised*. <i>There is no contribution of the intervention to the result target.</i>
7c - Ratio of people to motorized road vehicles crossing the border	2,50	2,65	No contribution to the result target	The target value is ambitious, set without a proper argumentation and a risk of failure.** Projects not implemented * <i>There is no contribution of the intervention to the result target.</i>
8b - Employment rate in the eligible area as a percentage of the working-age population	56.31 %	56.51%	Potential contribution to the result target	The target was set on wrong assumptions; the rapid changes on the market could significantly influence the indicator.** The link between the outputs and results is weak. ** Although some projects produced outputs, * most likely they could not influence the indicator at the level of eligible area. There is a potential contribution to the result target.
9a - Average service level in health care institutions in the eligible area	3,19	3,40	No contribution to the result target	The output indicator 9a1 can be recorded only at the end of the projects, and there is no project finalised. * There is no output delivered* The methodology for the measurement of the result indicators is not reliable with the risk of bias; the baseline is not reliable.** The result indicator is not properly defined** <i>There is no contribution of the intervention to the result target.</i>
5b - Quality of the joint risk management	3,02	3,19	Potential contribution to the result target	There are projects finalised in February 2020, and the majority of projects will be finalised in 2020 There are outputs delivered. The outputs delivered are likely to contribute to the expected result. The methodology for the measurement of the result indicators is not reliable with the risk of bias; the baseline is not reliable.** <i>Because there are doubts about the ability of the measurement to capture the contribution of the intervention, we assess the effectiveness as "potential contribution to the result target".</i>
11b - Intensity level of cross-border cooperation	3,46	3,57	Potential contribution to the result target	There are outputs delivered. The outputs delivered are likely to contribute to the expected result. The methodology for the measurement of the result indicators is not reliable with the risk of bias; the baseline is not reliable.** <i>Because there are doubts about the ability of the measurement to capture the contribution of the intervention, we assess the effectiveness as "potential contribution to the result target".</i>

Source: RO HU Programme document, monitoring data and conclusions of the "Indicators Assessment (2018)" and author analysis.

The assessment indicates that a measurement of the result indicators at this stage cannot capture achievement, either **because there is no achievement in the absence of projects** implemented, or because **the cause-effect link is too weak**, or **the methodology cannot measure the result** and the contribution accurately.

T2.1. Progress on the achievement of the expected objectives and results at the project level

The present section details the outputs and results planned at the project level, the expected outputs and an analysis of the factors influencing their achievement.

PA 1 Joint protection and efficient use of common values and resources (Cooperating on common values and resources)

- **Ip 6b** - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
- **Ip 6c** - Conserving, protecting, promoting and developing natural and cultural heritage

This priority aims at the protection and sustainable use of common values and resources. The importance of this area for both sides of the border was reflected in the total ERDF allocation of 22.77% for this PA 2.19% was dedicated to interventions aimed at water quality protection and related preventive measures, contributing to Ip 6b, and 20.57% was

dedicated to the interventions contributing to Ip 6c aimed at rehabilitation and protection of natural, built and cultural value of the area. The interventions on Ip 6c proved to have a higher demand, especially in the Hungarian counties.

At the end of 2018, the entire allocation available under this PA was launched within three (3) calls for proposals for both types of projects - normal and strategic, that exceeded with 7% the available ERDF financial allocation. The contracted amount, also considering the estimated value of the flagship project at the FAF phase, thoroughly covers the available ERDF allocation of 43,067,515.00 EUR.

Table 9. Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020

Type of calls under PA1	Ips covered	Allocated ERDF to PA 1 – IppP 6b, 6c (EUR)	ERDF contracted (EUR)	ERDF under contracting (EUR)	% committed
OC2	6b	43,067,515	4,156,259.38	na	78.4%*
OC1, RC3	6c		29,629,143.73		
Total PA 1		43,067,515	33,785,402.11	na	

* ERDF allocation is fully committed, the current budget difference being fully committed by the FAF associated to the project ROHU349, which is in submission and evaluation process

Table 10. Level of achievement at 29.02.2020 of PA1 programme indicators and perspectives for targets achievement

Programme output indicators PA 1	Programme Target value 2023	Targeted value according to AF	Achieved value of 2020	No of projects contributing to the target value	Percentage of forecasted achievement
6/b1 - Number of measurement points positively affected by the interventions (after the completion of the project)	7	9	0	2	128.57%
6/c - CO09 - Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	61,000	129,723	0	6*	212.66%
6/c - CO23 - Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	6,000	144,133.58	43	11	2402.23%

* 4 of the projects contributing to CO09 indicator also contribute to CO23 indicator

Two (2) normal projects were contracted under **Ip 6b**, with an ERDF budget totalizing EUR 4,156,259.38. The projects cover typical development and modernization of water supply systems through investment interventions at waste-water treatment plans. Finalization dates are initially estimated in May, respectively September 2021, for both projects, but an extension of projects period is likely to be needed.

The contracted projects contribute to and fully cover the programme output indicator 6b1, for which the target value was reduced from 19 to 7 measurement *points affected by the interventions* as per the latest revised Programme document as of 19 October 2019.

One of the two contracted projects is confronted with a long-standing problem (unclear situation concerning VAT - whether it is an eligible expense or not) that has led to a serious delay. The JS/MA have been involved and supportive in trying to identify a solution for this project. Professional opinions were requested from the Romanian Ministry of Finance and even from the EC, but the resolution is still pending due to on-going suspicion of fraud verification. Even if solved soon, recovering the delays will be a serious challenge given the uncertainties specific to public procurement procedures. The project proposes a target value of the output indicator of **6** (*number of measurement points positively affected by the interventions*) out of the total of **7** set at the programme level.

Under the presented circumstances, the premises for achieving the target for the Programme indicator 6/b1 are moderate. At the same time, there is a risk that the project that contributes in a proportion of 85% to the programme indicator target value, will not fulfil its expected objectives and results.

Under Ip 6c, there are 11 normal projects and three (3) flagship projects, two (2) in implementation at “full application” stage and one (1) at the CN stage. The contracted projects together totalize an ERDF budget of EUR 29,629,143.73. The FAF in the process of submission and evaluation is expected to be around EUR 10 million, this representing exactly the difference up to a 100% ERDF fully commitment on PA 1.

The 11 **normal projects** cover typical activities like rehabilitation, conservation and promotion of natural, as well as cultural and built heritage that can be promoted and sustainably exploited, together with improving accessibility and promoting tourism in the area and to these sites. The estimated end dates for the projects are spread along the year 2020, and no significant delays were reported so far in the implementation of the projects.

Four (4) of the 11 projects contribute to the programme output indicator CO09, while all the 11 projects contribute to the indicator CO23; the total forecasted target value of the 4 normal projects that contribute to indicator CO09 reaches 86,205, this figure already exceeding the set programme target value of 61,000; as related to the indicator CO23, the value forecasted by the project beneficiaries far exceeds the programme targeted value with more than 2000%. The enormous achievement of the output indicator against the planned target is due to the methodology used to the target setting, which proved to be not practical to be applied at the project level.

The two (2) **flagship projects** under implementation are designed in complementarity. They are implemented in Debrecen and Oradea, comprising the development of common cross-border cultural and sharing experience and learning, generating new collaboration in arts across the border. The estimated end dates are May 2022.

All three (3) flagship projects contribute to the programme output indicator CO09, together with 4 of the normal projects, as indicated above. For the indicator CO09 (Increase in expected number of visits to supported sites of cultural and natural heritage and attractions), the target values estimated in the two (2) strategic projects under implementation reach 43,518. Together with the total forecasted target values of the four (4) normal projects contributing to this indicator as well, the programme target value of CO09 is exceeded with 116%. If we add to this figure the estimated targets of the FAF in the process of submission and evaluation, the excess will increase.

We can conclude that the normal projects contracted under Ip 6c have good premises to achieve their targets. The two strategic projects contracted have a significant contribution to the PA 1 objectives, and their estimated targets appear feasible, also considering the usual level of the audience of the two theatres subject of rehabilitation. The investment in Szigligeti Theatre in Oradea was finalised at the time of the evaluation team field visit, and it was already used for performances. Overall, the provisioned targets of the programme indicators have reasonable grounds to be achieved.

The analysis reveals that the target values for most of the programme **output indicators** of PA 1 are expected to be achieved based on the beneficiaries' forecasted values.

PA 2: Improve sustainable cross-border mobility and remove bottlenecks (Cooperating on accessibility)

- **Ip 7b** - Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
- **Ip 7c** - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, to promote sustainable regional and local mobility

Cooperating on accessibility is also an important element of the Programme, aimed at improving sustainable cross-border mobility with a total allocation of 9.13%, with a higher share for Ip 7b (6.25%). In comparison, 2.88% is dedicated to interventions facilitating a gradual shift towards more sustainable (low carbon, low noise) forms of transport, contributing to Ip 7c.

Within the three (3) calls for proposals launched (for both flagship and normal projects), the entire available ERDF allocation for PA 2 of EUR 17,268,247, as provided within the Programme latest version of 19 October 2019, was covered.

Table 11. Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020

Type of calls under PA2	Ip covered	Allocated ERDF to PA 2 – Ip 7b, 7c (EUR)	ERDF contracted (EUR)	ERDF under contracting (EUR)	% committed
RC1	7b	17,268,247	11,813,020.35	na	100%*
OC2, OC3	7c		2,964,216.81		
Total PA 2		17,268,247	14,777,237.16	2,491,010.00	

* ERDF allocation is fully committed



Table 12. Level of achievement at 29.02.2020 of PA2 programme indicators and perspectives for targets achievement

Programme output indicators PA 1	Programme Target value 2023	Targeted value according to AF	Achieved value of 2020	No of projects contributing to the target value	Percentage of forecasted achievement
CO13 7/b Roads: Total length of newly built roads	12	12	0	1	100%
CO14 7/b Roads: Total length of reconstructed or upgraded roads	18	20	0	1	111%
7/c1 - Number of cross-border public transport services developed / improved	5	16	0	1	320%
7/c2 - Total length of newly built bicycle road	17.00	19.72	0	2	116%

A dedicated restricted call for proposals was launched, and one flagship project was contracted under Ip 7b (with FAF submitted), having a total value of 11,8 million EUR.

The project contributes to both programme output indicators corresponding to Ip 7b - CO13 and CO14. However, the outputs and results are produced mostly on the Romanian side of the border. On the Hungarian side, the expected output is mainly reflected in producing the studies necessary for the modernization and construction of roads in Békés County.

Three (3) normal projects were contracted under **Ip 7c**, within two open calls for proposals:

- Two (2) normal projects within OC2, with expected end dates in June 2021 (one of them being in the process of approving an extension with ten months from 2020 to 2021) – the projects contribute to and fully cover the target of the programme output indicator 7/c2.
- One (1) project within OC3, with expected end date 2021 – the project contributes to the programme output indicator 7/c1

Another normal project, also within OC3, is under contracting. This project will contribute to the indicator 7/c1 together with the already contracted project, thus fully covering the programme target for this indicator.

Two out of the three contracted projects, involving the building of bicycle tracks faced the same major problem at the implementation stage – price increase on the market, especially on the Hungarian side, which led to a big difference between the investment cost in the technical project and the estimated cost in the feasibility study. The long time passed since the projects were designed and the unchanged indicator methodology which fixed the unit price for 1 km of bicycle road 3-6 years ago and was not adjusted yet. Project ROHU-128 managed to successfully overcome this problem and is now on its way to achieving the planned objectives and results, within ten months expanded implementation period – because the Hungarian partner cannot execute the works in the estimated and contracted budget, some of its contractual obligations will be taken over by the Romanian partner. On the other hand, project ROHU-140 is still struggling to find a feasible solution to the mentioned problem, this being quite serious on both Romanian and Hungarian sides. The solution considered was to limit the contractual obligations with the initially planned length of bicycle road. An addendum with adjustments of the targets is in the process of approval.

The contracted and under contracting projects on Ip 7c are envisaged to contribute to the result indicator set at the programme level *Ratio of people to motorized road vehicles crossing the border*. However, the achievement of the projects' output indicators alone does not automatically ensure the achievement of the Ip 7c expected results. All the other projects' actions (promotion & awareness activities, cross-border passengers transport protocols, etc.) must be given enough attention as to complement the investments in bicycle tracks and public transport properly. Corroborated actions are needed to facilitate a gradual shift towards more sustainable (low emission and low noise) forms of cross-border transport, this way contributing to the Ip 7c result to reduce motorized road vehicles crossing the border.

Good ground for achieving the Ip result is also given by the fact that coverage of local and cross-border bicycle infrastructure in the eligible area shows dynamic progress and that active tourism offers of the border regions are improving. The sustainable maintenance of these developments and their accessibility must be taken into account; thus, the green transport solution promoted by the projects under Ip 7c fits perfectly into the regions' development concept.

PA 3: Improve employment and promote cross- border labour mobility (Cooperating on employment)

- **Ip 8b** - Supporting employment friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources

PA 3 (Cooperating on employment) aims at improving employment and promoting cross-border labour market. Increasing employment is of high priority in the eligible area – as much as 16.22% of the total ERDF budget is allocated for creating better conditions for employment-oriented growth. The interventions will be implemented in the framework of Ip 8b.

Two (2) calls for proposals were launched for both types of projects- normal and strategic, covering the total ERDF allocation for this PA (initially of EUR 44,177,692 and then revised in the latest Programme document at 30,673,795 EUR).

Table 13. Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020

Type of calls under PA 3	Ip covered	Allocated ERDF to PA 3 – Ip/Ip 8b (EUR)	ERDF contracted (EUR)	ERDF under contracting (EUR)	% committed
OC3, RC3	8b	30,673,795	10,398,482.20	20,275,312.67	100%*
Total PA 3		30,673,795	10,398,482.20	20,275,312.67	

* ERDF allocation is fully committed

Table 14. Level of achievement at 29.02.2020 of PA3 programme indicators and perspectives for targets achievement

Programme output indicators PA 3	Programme Target value 2023	Targeted value according to AF	Achieved value of 2020	No of projects contributing to the target value	Percentage of forecasted achievement
CO44 8/b Labour Market and Training: Number of participants in joint local employment initiatives and joint training	10,000.00	20,188.00	102	9	201.88%

Under Ip 8b, nine (9) normal projects and one (1) flagship project (with CN) were contracted, covering a total value of ERDF budget of 10,398,482.20 EUR. Most of these projects have an 2021s end date year. Only with the nine (9) normal projects alone, the targeted value of the output indicator CO44 is not only achieved but far exceeded with 201%. Moreover, the programme indicator could be almost achieved by a single project ROHU 331, its forecasted target being 90% of the set programme target.

Other nine (9) normal projects are under contracting within OC3 and one (1) flagship project (the FAF corresponding to the CN contracted), totalizing an ERDF budget of 20,275,312.67 EUR. By adding the target values from the contracting projects to those from the already contracted ones, the excess target achievement for the programme output indicator CO44 will almost double.

The projects contracted under Ip 8b typically covered training and education type of interventions together with building /rehabilitation of training facilities. As evidenced by the case studies, they were less focused on interventions dedicated to economic development as designed by the Programme.

From the projects' analysis, we can conclude that the normal projects contracted under PA3, Ip 8b have good premises to achieve their targets.

A key problem with this intervention is that the output and the result indicators have limited potential to reflect the intervention actions, products and effects.

PA 4: Improving health-care services (Cooperating on health-care and prevention)

Ip 9a - Investment in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services

This priority aims at improving preventive and curative health-care services across the eligible area. The interventions are implemented in the framework of Ip 9a. The programming process proved that there are needs for this kind of investments on both sides of the border. Still, particularly in the Romanian counties this area is a priority and generated high demand.

For this PA, two calls for proposals were launched for both types of projects, normal and strategic, covering the entire ERDF allocation for this axis - initial ERDF allocation of EUR 48,749,323 and the revised one of EUR 72,347,288 after the reallocation within the latest Programme document.

Table 15. Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020

Type of calls under PA 4	Ip covered	Allocated ERDF to PA 4 – Ip 9a (EUR)	ERDF contracted (EUR)	ERDF under contracting (EUR)	% committed
OC3, RC2	9a	72,347,288	47,613,912.26	6,518,027.01	74.8%*
Total PA 4		72,347,288	47,613,912.26	6,518,027.01	

* ERDF allocation is fully committed, the current budget difference being fully committed by the FAF associated to the projects ROHU236 and ROHU245, which are in submission and evaluation process

Under PA 4 ten (10) normal projects and five (5) flagship projects (3 full with CN+FAF and 2 with CN only) were contracted, covering an ERDF allocation of EUR 47,613,912.26.

Other three (3) normal projects are under contracting with an ERDF value of EUR 6,518,027.01, which will lead to over contracting the initial call allocation and two flagship projects in the FAF submission and evaluation phase, which based on the estimated value will cover the entire allocation. Moreover, the interviews revealed that the value of one of the projects exceeds the initial estimation significantly, and the eligible budget of the project (FAF) will exceed the available funds.

Table 16. Level of achievement at 29.02.2020 of PA4 programme indicators and perspectives for targets achievement

Programme output indicators PA 4	Programme Target value 2023	Targeted value according to AF	Achieved value 2020	No of projects contributing to the target value	Percentage of forecasted achievement
9a/1 - Population having access to improved health services	3,911,505	12,525,318	0	13	320%
9a/2 - Number of health-care departments affected by modernized equipment	58	158	0	12	272%

The indicator 9a/1 has as target the entire population of the eligible area. The values of the application form cannot be aggregated because of the overlaps of the projects, e.g. two projects could address the same target group of beneficiaries. The distribution of the projects is across the entire eligible area and will ensure the achievement of the target value. As concluded in the Indicators **Assessment (2018)** – commissioned by JS, the indicator raises difficulties in measuring the intervention outputs. The indicator 9a/2 *Number of departments benefiting from funding* far exceeds (203%) the initial target. One project alone ensures coverage of 66% of the target; however, the average funding per department financed in the project is much lower than the average per PA. This situation is due to the fact that the programme structures agreed during the implementation to change the interpretation of the indicator definition.

The ERDF funding for the contracted normal projects ranges from EUR 463,336.77 to EUR 2,550,000.00, budget with an average of EUR 2,114,961.39. Typically, these projects are aiming at developing the medical infrastructure in main cities of the eligible area, in Szeged, Békéscsaba, Debrecen, Gyula, Timișoara, Arad and Oradea, but also, in smaller towns and villages, in Berettyóújfalu, Hajdúböszörmény, Hódmezővásárhely, Nyíradony, Napkor, Aradud and Moftinu Mic.

The cumulative programme indicators values show that these projects will contribute to the modernisation of 158 health-care departments distributed across the entire area, see map Annex 2.11. The population benefiting from the improved medical infrastructure is estimated as the catchment area of the medical unit.

Priority Axis 5: Improve risk-prevention and disaster management (Cooperating on risk prevention and disaster management)

Ip 5/b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems

PA 5 aims at the joint development of the emergency response and disaster management capacity in the eligible border area to facilitate rapid joint actions in case of emergencies, reducing response time, especially in the immediate neighbourhood of the state borders. The financial allocation for PA 5, Ip 5b is 5,83% of the total ERDF programme allocation.

The interest in this PA was high, and therefore, through the 1st modification of the Programme, the allocation was increased.



By 29.02.2020, the entire ERDF allocation available (EUR 11,022,135 - after 1st Programme modification) was launched within OC1 for normal projects. After the selection of projects, the output indicator has been committed to a full extent, and no more funds are available within PA 5.

Table 17. Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020

Type of calls under PA 5	lplp covered	Allocated ERDF to PA 5 – Ip 5b (EUR)	ERDF contracted (EUR)	ERDF under contracting (EUR)	% committed
OC1	5b	11,022,135	11,833,716	n/a	107%*
Total PA 5		11,022,135	11,833,716	n/a	

* ERDF allocation is fully committed

Under PA 5, ten (10) projects were contracted, amounting EUR 11,833,716 (ERDF contribution). The implementation of these projects has started in spring of 2018 and ends on 26.02.2020, the value of the approved reports and funds reimbursed to lead beneficiaries being EUR 4,666,808.54.

The ten (10) projects covered a mix of activities from investments typically into emergency response and risk prevention facilities and equipment to more soft measures such as harmonization of protocols and procedures, improvement of emergency response communication or joint training and practices of organizations involved in emergency response and disaster management in the eligible area.

Table 18. Level of achievement at 29.02.2020 of PA5 programme indicators and perspectives for targets achievement

Programme output indicators PA 1	Programme Target value 2023	Targeted value according to AF	Achieved value 2020	No of projects contributing to the target value	Percentage of forecasted achievement
5/b 1 - Population safeguarded by improved emergency response services	970,000	3,170,776	21,768	10	326%

The initial target value for the output indicator was 700,000. Once increasing the financial allocation for this PA, the output indicator increased proportionally, the unit cost per person being maintained constant. One project was finalized in 2019; other seven (7) projects will be finalized in 2020 and the other two (2) projects in 2021.

It is to be noted that the finalized project ROHU41 exclusively reports the achieved value of the output indicator, which was reported to date. Given that the majority of the projects are to be completed in 2020, there is no significant risk of not fulfilling the targets set up for the indicators, even in some of the projects already requested extension and some may do it in the next period.

While all projects contracted under this PA set up target figures for the output indicator “*Population safeguarded by improved emergency response services*”, none of the ten (10) projects identifies a figure for the result indicator “*Quality of the joint risk management*”.

As can be seen from the table above, all the programme output values are expected to be achieved based on the beneficiaries’ forecasted value. However, the tables reveal that the target set by the beneficiaries for their projects exceeds 326% of the programme targeted value. Under these circumstances, concerning the understanding of the programme indicators and the values set by the beneficiaries, from the surveys and case studies, there are clear indications that there were certain unclarity related to the definition of the indicators.

PA6 - Promoting cross-border cooperation between institutions and citizens (Cooperation of institutions and communities)

Ip 11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)

Typically, these projects are aiming at intensifying the level of cross-border cooperation in the eligible area, through different activities conducted especially in smaller cities and villages such as Pusztaotlaka, Nyirbátor, Fülöp, Morahalom, Pecica, Buduslau, Curtici, Salonta, Madaras, Jimbolia, but also in bigger towns as the case of Alesd, Oradea, Gyula and Szeged.

For this PA with the lowest allocation, 1.8% of the total ERDF allocation, one open call for proposals for normal projects was launched, the contracted ERDF budget totalizing 3,641,213.22 EUR. This call was very attractive for the stakeholders in the programme area and had a high oversubscription.

Table 19. Contracted and under contracting ERDF budget per PA and Ip, as of 29.02.2020

Type of calls under PA 6	Ip covered	Allocated ERDF to PA 6 – Ip 11b (EUR)	ERDF contracted (EUR)	ERDF under contracting (EUR)	% committed
OC2	11b	3,411,372.00	3,641,213.22	na	107%*
Total PA 6		3,411,372.00	3,641,213.22	na	

* ERDF allocation is fully committed

Table 20. Level of achievement at 29.02.2020 of PA6 programme indicators and perspectives for targets achievement

Programme output indicators PA 6	Programme Target value 2023	Targeted value according to AF	Achieved value 2020	No of projects contributing to the target value	Percentage of forecasted achievement
11b1 - Number of institutions directly involved in cross-border cooperation initiatives	36	36	9	10	100%
11b2 - Number of people participating in cross-border cooperation initiatives	2,000	18,995	3,818	21	949.8%

Under this PA, 32 normal projects were contracted within OC2. The projects' ERDF funding ranges from around EUR 51,000 to EUR 330,000, with an average of around EUR 110,000.

The research proved that the **projects generate cooperation initiatives, build trust and extend partnerships** already built in the previous programmes. The Programme is perceived as an important source of funding for this kind of interventions, not many other funding sources being available.

The cumulative programme indicators values for these projects show that the number of institutions directly involved in cross-border cooperation initiatives is 36, and the number of people participating in these initiatives is 18,995. Seven (7) projects of the 32 contracted under this PA are finalized, and the final reached indicators' targets are in 5 cases much lower than the forecasted target by the beneficiaries, which shows that there is not a proper understanding of the indicators and of how to forecast the target. Still, for the indicator 11b1, it can be noticed that from the finalized projects alone the programme's target value will be reached and also there are not expected any problems for the target value of 36 under 11b1.

For the projects under this PA, it is expected that beneficiaries will take part in different actions that will intensify the cross-border cooperation level, such as sports events (playing sports), cultural events (cultural traditions events), camps, thematic workshops as preventions of drug use, joint chess training for children, joint small-scale cooperation events, arts-and-crafts, folk art courses, concerts, multilingual presentations and performances, etc.

In many cases, these projects are offering opportunities for social interaction, arts and sports performances to groups with few other such opportunities. The events proved to create enthusiasm and cohesion among the groups from the two sides of the border. The case studies highlight such benefits perceived by the final recipients.

Main findings corresponding to all PAs

Overall, the state of play of the Programme shows that all indicators have perspectives of achievement based on the targeted values envisaged in the projects' application form.

Out of the 13 output indicators for all six (6) PAs, eight (8) are expected to be overachieved:

- PA1 - out of three (3) output indicators, one is estimated to overachieve its target, namely CO23 nature and biodiversity 2400%. Also, the output indicators CO09 has a double estimated overachievement of the target
- PA2 - out of four (4) output indicators one is expected to exceed three times its target, the others are also expected to be achieved
- PA3 - the only output indicator is likely to double its targeted value
- PA4 - the two output indicators are likely to double their targets
- PA5 - the only output indicator is expected to triple its value
- PA6 - out of 2 output indicators one is expected to exceed nine times its target

Also, from the focus group and survey, the majority of beneficiaries indicated a very low or no risk of not achieving the project results and objectives. Still, a quarter of them mentioned that a possible extension of the project with up to six months might be necessary.

Although the level of reported achievements at 29.02.2020 is low, the likelihood of achievement of the final programme targets should consider the following findings:

- the contracted and under contracting projects covered the entire ERDF budget allocation;



- the planned and assumed outputs by contracted and under contracting projects, exceed by far the targets of the indicators set at the programme level;
- the sample of projects analysed indicates the planned outputs are likely to be achieved or exceeded.

The assessment provides reasons to conclude that the programme will achieve the programme output indicators targets. This conclusion does not take into account the COVID-19 pandemic impact, which could be further analysed.

Factors affecting the implementation process, the achievement of the projects' objectives

The assessment is focused on the project implementation; however, a number of factors could be considered relevant for the programme implementation level. Although the evaluation team is careful to avoid repetitions from different perspectives, the same factors may be referred to in other sections to provide the expected answers. The evidence for factors assessment is collected from interviews, the survey of the beneficiaries, case studies and study of the processes reflected in the programme documents.

From the interviews and focus groups held the main factors that affect the implementation process are mainly related to delays due to administrative procedures and the public procurement process. Also, some of the beneficiaries perceived the administrative procedures as being cumbersome with different changes in the implementation rules.

The issue of co-financing, especially for the Hungarian part was also confirmed by the interviews with the Programme management structures, as well as the problems related to public procurement sometimes due to the lack of adequate staff in this area.

From the case studies carried out, the difficulties highlighted differed from one PA to another due to the specificity of each PA and Ip. They ranged from public procurement aspects and changes to the technical specifications in case of investment projects to delays in contracting some of the works, financial related aspects (such as VAT etc.) and market price fluctuations.

Nevertheless, **the most recurrent factor highlighted by the interviewed beneficiaries** was related to the administrative burden raised by the number of reports (referring to the temporary weekly reporting that was abandoned by JS), translation of documents (although supported by JS), long signatory process etc.

From the survey, although the number of answers is limited, **we can retain as leading causes of the delays highlighted by the project beneficiaries**, the public procurement process followed by a high level of bureaucracy in the management of the Programme and reporting process.

In general, from the survey and case studies, the beneficiaries have reported good perspectives to achieve the target objectives. The main factors limiting the achievement are possible overestimation of initial targets, delays in implementation of public procurement procedures, lack of adequate human resources or lack of financing capacity. However, several applications reviewed by the evaluators do not present clearly how the target indicators will be achieved and why the set target is achievable. The guide for applicants indicating the programme target was, to some extent, conducive for the beneficiaries in setting their targets at the project level. The constraints imposed by the state aid rules in delivering the services in certain conditions may affect the operations of the infrastructure financed and the achievements assumed.

The achievement of the final targets is strongly linked to the smooth implementation of the projects, considering that the projects that have a significant financial proportion in the programme allocation are the strategic projects that started late (some still not started or in the contracting process as presented in the section above) which further pushes the project finalization deadline in 2023, the end of the programming period, so main risks would be the ones related to project implementation delays.

COVID-19 pandemic adds significant risks to the achievement of the programme targets. The evaluation team assessed the impact of COVID-19 on the Programme implementation and achievements, based on data available at the time of the submission of the evaluation report. The assessment looked at the overall context, at (a) the impact on projects implementation for all types of projects, specific impact for each Ip including (b) impact on the project management and networking, (c) impact on technical operations (specific thematic) (d) impact on the achievement of the objectives and related Ip target indicators.

According to the European Commission, 2020 will be strongly affected reflected in an economic and social crisis with an up to 7% GDP decrease, sharp unemployment increases and financial deficit increase in Europe, including Romania and Hungary.

The first impact on the projects are related to the total lockdown for almost three months March-May 2020 (with state of emergency being declared in the two countries – mid-March – mid-May) and mobility restrictions and social distancing rules. Although teleworking was organized, our assessment indicates a significant slowdown of the processes and chain effect of the delays. Therefore, we consider a three-month overall average delay should be considered in implementation. Some projects may absorb faster than others, the delay depending on the type of activities planned. Studies and technical documentation are in a better position than face to face events, or activities involving contractors with activities diminished.

In terms of impact on projects and Programme achievements, the highest negative impact is estimated on Ip 6c, and 11b, where tourism and interaction of people may take new forms and may diminish. On Ip 8b the demand may increase considerably, and new needs may occur due to the sharp increase in unemployment. Specific needs for investments may appear in case of Ip 9a and Ip 5b investments to respond to the challenges of the COVID-19 effects; therefore, flexibility for adapting the new realities is essential.

T2.2. Is there a risk of decommitment? What specific activities can be considered to minimize the risks of decommitment? (Q13, Q21)

The analysis of the decommitment risks was based on the cash flows provided by JS updated on 29th February 2020, the estimated share of the ERDF funds in the total payments' applications being submitted in six scenarios.

The first three scenarios were identified and analysed before the COVID-19 pandemic. The mobility limitations and social distancing measures were imposed in Hungary and Romania on 11th respectively 16th of March 2020 when the state of emergency was declared. The scenarios considered the risks of delays due to **three main critical factors**: (1) *procurement processes with the risk of delays due to procedures*, (2) *project team management changes, weaknesses already manifested*, (3) *specific blockages* (e.g. irregularities, specific external factors)

After the COVID-19 emergency was introduced in both countries, the evaluation team developed three additional scenarios considering the following factors:

(a) *the intention of suspension of the activities of around 30% of the beneficiaries based on the estimates of JS at 9th of April 2020*,

(b) *estimated delays in implementation generated by the COVID-19 pandemic based on beneficiaries and other stakeholders' opinions collected through interviews undertaken by the evaluator in April 2020*.

Data was completed with the evaluator's assessment of the impact, however prudently given the fact that at the time of finalising the evaluation report, the state of emergency was still present, and the relaxation measures were only announced but not decided. Therefore, the analysis is a model and a reference for further monitoring of the situation to update the impact on the projects' implementation and manage the risk of decommitment.

The analysis indicated **an impact firstly due to interruption or slowdown of the operations** of all projects, although some activities could continue (such as studies, procurement processes). The duration of the state of emergency is expected to be of two months, and we expect a real delay of about three months until the activities will come back on track if the COVID pandemic has a positive evolution.

Secondly, the COVID impact may generate delays after the lifting of the measures. According to the interviews, some projects may have up to 6 months delays, for several causes: rescheduling of activities, effects of the expected economic crisis, changes in the behaviour of the target groups. These factors may require additional changes in the projects' activities, and expected results, with additional resources needed for the project management and contracting.

The evaluator limited the analysis to the data available and avoided to create additional pressure on beneficiaries and JS enquiring about the estimated effects of COVID crisis for each project. An additional argument is that the data collection would have been performed too soon to have an accurate view of the factors and their intensity as long as there is limited predictability on the evolution. Based on the information presented above three additional scenarios (D, E and F) were developed, that project a view on the decommitment risks:

- ✓ A – the planned cash flow will not be significantly affected by external factors manifested
- ✓ B – the scenario considering a one-month delay of the FAF and FAF to be contracted
- ✓ C – Pessimistic scenario before COVID-19 pandemic considering two months delay for all projects
- ✓ D – COVID-19 scenario - optimistic – 3 months delay of the operations for all projects
- ✓ E – COVID-19 scenario - pessimistic – 6 months delays of operations
- ✓ F – COVID-19 moderate scenario -3 months delay for all of the projects and an additional margin of expenditure at risk of 30% of the planned values

Table 21. The decommitment thresholds

Year	Financial appropriation from the ERDF in EUR*	EU contribution in the payment applications submitted to meet N+3 target (annually) "N+3 target."
2014		
2015	23,079,572.00	
2016	19,561,825.00	
2017	35,543,720.00	

2018	36,254,593.00	3,456,434.78
2019	36,979,685.00	14,124,088.18
2020	37,719,277.00	29,869,559.84
2021		30,580,432.84
2022		31,305,524.84

Source: ROHU N+3 calculator tool provided by JS

The most challenging year appears in the table above to be 2020 because of the significant increase of the threshold with EUR 15 mil compared to the previous year. The challenge is amplified by the delay of the programme implementation cycle due to the late start and the long duration of the evaluation and selection of projects, as it will be explained in this report within the Theme 3.

In the table below the estimated ERDF amounts reported in 2020 and expected to be reported between March and October 2020, are detailed on the calls for proposals and the risks considered for the six scenarios.

Table 22. Scenarios estimates of ERDF amounts to be reported, aggregated by the call for proposals (for 2020)

Sources of cash flows	Scenario A ERDF planned (EUR)	Scenario B ERDF 1-month delay (EUR)	Scenario C ERDF 2 months delay (EUR)	Scenario D ERDF 3 months delay (EUR)	Scenario E ERDF 6 months delay (EUR)	Scenario F ERDF 3 months delay + (EUR)	Scenario G Assumptions May 2020
amounts in different stages of verification estimated to be submitted 2020	1,253,112.71	1,253,112.71	1,253,112.71	1,253,113.71	1,253,114.71	1,253,115.71	1,253,116.71
Projects - Open Call 1	31,089,908.25	28,813,238.30	25,211,459.91	19,710,585.68	8,467,686.51	13,274,098.91	25,783,339.02
Projects - Open Call 2	8,824,074.72	8,824,074.72	6,586,016.60	4,850,379.86	1,844,269.15	3,948,546.65	6,586,016.60
Projects - Open Call 3	2,793,716.49	2,793,716.49	2,744,288.99	2,144,519.08	941,880.37	1,783,727.47	2,744,288.99
Projects - Open Call to be contracted	8,627,236.78	8,627,236.78	8,627,236.78	6,630,987.27	1,225,000.60	5,009,191.27	8,627,236.78
Flagships (FAF+CN) to be contracted	3,820,677.51	3,820,677.51	2,750,492.66	1,902,787.19	1,402,599.61	117,792.45	2,750,492.66
Flagships (FAF) to be contracted	4,816,893.18	3,433,614.94	3,189,507.02	3,189,507.02	2,153,936.78	1,514,841.07	3,189,507.02
Technical assistance projects	1,307,309.57	413,917.86	413,917.86	92,405.26	-	-	985,796.97
reserve from 2019	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00
N+3 target 2020	407,469.04	407,469.04	407,469.04	407,469.04	407,469.04	407,469.04	407,469.04
Effective payment applications submitted (ERDF)	29,869,559.84	29,869,559.84	29,869,559.84	29,869,559.84	29,869,559.84	29,869,559.84	29,869,559.84
Share of effective payment applications in total ERDF N+3 target	32,750,489.99	30,473,820.05	26,872,041.65	21,371,168.42	10,128,270.25	14,934,638.65	27,443,924.76
Share of the threshold at risk of non-achievement							
	109.65%	102.02%	89.96%	71.55%	33.91%	50.00%	91.88%
	0	0	10.04%	28.45%	66.09%	50%	8.22%

Source JS data on cashflow at 29.02.2020 and 22nd of May 2020 and author calculations

The analysis is based on the pack of spreadsheets attached to the evaluation report in Annex 2.6. Decommitment risk analysis tables, including forecasts by project, lps and calls for proposals, amounts reported in a different stage and estimated to be reported.

The analysis results visualised in the two tables above reveal that the decommitment risk before the COVID-19 situation was moderate.

- **Scenario A** shows that the N+3 decommitment target would have been achieved with a sufficient reserve of funds to face a risk of delays in implementation. The reserve could cover the delay of the significant reimbursements planned for the flagship projects (over EUR 100,000) amounting to EUR 2.828 million.
- **Scenario B** considering one-month delay of the flagships shows the decommitment threshold is met as well.
- **Scenario C** with two months delay would have led to a gap of EUR 2 million to reach the decommitment threshold in 2020. This could be managed with direct support to specific projects with the highest contribution to the cashflow such as flagship project 446 (with EUR 1.392 million planned for October 2020) but also several projects selected within the third open call, within the Ip 9a and 8b. For example, the project ROHU 400 has EUR 2.044 million planned reimbursements in September 2020.

The COVID-19 scenarios analysed at the beginning of COVID 19 restriction measures showed high decommitment risks, the forecasted cashflows for 2020 varying between 71% share in the decommitment threshold (the optimistic scenario D), to 34% (the pessimistic scenario E). The moderate one indicates a gap of 50% in the total decommitment target. At the respective time analysis within the project team, of the probability of the three scenarios, in April 2020, indicated the higher likelihood is to have scenario F. This scenario considered on top of scenario D conditions, an additional margin of reimbursements at risk of 30% (linked to the initial estimate of the intention of the project temporary suspension)- representing around EUR 7 million.

The analysis of the cash flow forecasts (at 29.02.2020) highlighted a significant number of payments with a high value that may have a substantial impact on the cash flow. They are related to three flagship projects (cumulative ERDF value is Eur 3.36 million), but to the other Ips except for Ip 11b where there is a significant number of reimbursements with a lower value. The support measures provided by the Programme management structures should include effective monitoring with full support measure horizontal to all projects and a special focus on those expected flows with the most significant impact. The support is essential to help beneficiaries assess the impact, adjust objectives, targets and methodologies, revise plans.

The data provided by the JS in 22nd of May 2020 after the submission of the final report, when the COVID 19 pandemic lockdown ended, and the activities have restarted, indicated that only 11 projects out of the 73 in implementation, requested the suspension of the activities. There were also undertaken measures to allow adaptation of the procurement to the urgent needs (under Ip 5b and Ip 9a) which are in line with the evaluators' recommendations. The current situation shows the impact may be lower than estimated in April 2020 in the pessimistic scenario with six months delays. Although the projects' activities are implemented according to the plans, except the 11 projects suspended, the environment, the limited functionality of the providers of services, works and goods still may affect the fluent implementation of the projects. Based on these assumptions, the evaluation team analysed an additional scenario G detailed below.

Scenario G is based on the estimates of JS at the end of May 2020

- **Projects under OC1.** The important amounts estimated to be reported, are related to the construction works and to the acquisition of equipment. The contracts for the construction works are ongoing for most of the beneficiaries, moreover, the pandemic does not affect these activities significantly. Also, as regards the contracts for the acquisition of equipment, even if some delays in what concerns the delivery are possible, it is expected for the equipment to be received, paid and reported in due time to be relevant for N+3 2020. For this category, we consider the risk of two months delay.
- **Projects under OC2.** The amounts estimated to be reported are small amounts from small projects, most of them finalizing their implementation period this year. Significant amounts are estimated to be reported by projects for which contracts for works and acquisition of equipment are in implementation. For this category, we consider the risk of two months delay.
- **Projects under OC3.** The amounts estimated to be reported as to be relevant for N+3 2020, are mostly related to the construction works and to the acquisitions of equipment. The contracts for the construction works are ongoing for most of the beneficiaries. The pandemic does not affect the construction works significantly; these activities are implemented as planned. The contracts for equipment acquisitions are already signed and under implementation or will be signed in June at the latest. In what concerns the Ip 9a, some of the beneficiaries modified their application, as allowed by the EC and MA, to buy immediately medical equipment necessary in the pandemic context. Even if some activities are postponed at the moment, this negative impact on the N+3 2020 is strongly reduced by the acquisitions of the medical equipment, necessary in the current pandemic context. For this category, we consider the risk of two months delay.
- **Projects - Open Call to be contracted.** 6 out of 12 projects are already contracted, the remaining contracts are expected to be signed until the end of June at the latest. All the projects will spend and report at least staff costs and amounts related to the IT equipment purchased. Moreover, one of these projects concluded the contract for the acquisition of 7 buses, approx. EUR 1,500,000, out of which ERDF EUR 1,275,000, which are estimated to be delivered and paid until 2020, August 31st. For this category, we consider the risk of two months delay.

- **Flagships contracted (FA+CN).** The significant amounts estimated to be reported are related to construction works and acquisition of equipment. The respective projects have concluded the contracts for works and equipment purchase, activities are implemented as planned, and no important delays are foreseen. For this category, we consider the risk of two months delay.
- **Flagships to be contracted.** Mostly, the estimated amount comes from project ROHU - 452, with a planned expenditure in October 2020, of EUR 1,051,049.07 (ERDF, EUR 893,391.71). This project is contracted, and under implementation, the acquisition is prepared, and the risk of delay is minimum. This amount is not considered at risk.

Although scenario G appears to be the most recent and based on an analysis of the status of the project of implementation made by JS, the evaluation team maintains the previous scenarios in the report as references for further assessments. Moreover, the comments of the Evaluation Steering Committee members on the draft intermediary report stressed that “the 2 months delay is modest” and “at least 3 months delay is recommended to calculate”. However, because of insufficient data on the economic environment, it is not possible to estimate the probability of these scenarios.

The evaluator view is that the **intensity of the factors related by COVID-19 pandemic is lower than indicated by the findings in March and April during the lockdown**. Still, further effect should be expected and monitored (see also Annex 2.14 on COVID-19 impact). For many projects, the reconfiguration of the activities will require time to adapt to the new conditions, hard to predict at this stage. Therefore, the evaluator view is that the threshold for decommitment is missing the intended role and is not realistic. The flexibility of the Programme is essential to allow the project beneficiaries to reschedule and adapt the methodologies to achieve the projects’ objectives in some cases, adjusted to new needs or demands. The beneficiaries would need assistance for this process to ensure the projects will remain feasible and relevant.

The risk of decommitment is moderate (less than 10% of the threshold amount is at risk of non-achievement) in an optimistic scenario(G) based on the data at the end of May 2020, which shows that for the year 2020 COVID pandemic may have a very low or no impact on the cashflows and decommitment risks. A more pessimistic scenario at this stage, considering an overall 3 months delay, indicates a higher decommitment risk, with only 71% achievement of the decommitment threshold, or 50% in case of additional blockages.

European Commission support is needed to ensure that the decommitment rule will not worsen the situation, and sufficient flexibility will be granted so that the projects will be able to make the best use of funds resolving the existing or new needs.

T2.3. Are the performance indicators easily achievable, what are the negative factors and to what extent they served the initial scope? (Q23, Q24, Q25)

The performance framework was introduced in the programming period 2014-2020 as a tool to achieve the result-orientation of the ESI Funds, using a set of milestones and targets for each PA. The performance framework is the key tool used for the performance review set according to CPR article 21 in 2019, to assess the performance of the programmes and decide regarding the performance reserve and other corrective measures in case of failure to achieve the targets upon the case.

The AIR 2018 reveals that the **achievements of the performance framework targets were suboptimal**, as well as the performance framework itself had incoherencies.

Table 23 shows a very low achievement of the financial target for all six PAs, but an excessive overachievement of the key implementation steps and output targets. In table 23, the achievements are highlighted in green and non-achievements in red.

Table 23. Overview of the performance framework targets achievement at 31.12.2018

PA	Financial indicator target	Planned date achievement	Key implementation step achievement	Output indicator target
PA1	21% achieved	October 2019	900% k6b 220% K6c	CO09, 6b1 No targets for 2018
PA2	2% achieved	May 2020	506% k7b 1600% k7c	CO13a No targets for 2018
PA3	0.18% achieved	March 2020	380% k8b	CO44 No targets for 2018
PA4	4% achieved	May 2020	167% k9a2	9/a 2 No targets for 2018
PA5	56% achieved	April 2019	2405% k5b	5/b 1 No targets for 2018
PA6	3% achieved	June 2019	No key implementation step	11/b1 925% achieved

Source AIR 2018 (cutoff date 31 12 2018) and author calculation (colour code: **red**= not achieved, **green**= achieved, **grey**=not applicable)

Indicators titles are listed in the box below

CO09 Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions



K6/b Number of measurement points benefiting from the projects selected for support
 K6/c Number of projects aimed at increasing visits to sites of cultural and natural heritage selected for support
 6/b 1 Number of measurement points positively affected by the interventions (after the completion of the project)
 CO13a Roads: Total length of newly built roads, of which: TEN-T
 K7/b Number of km of newly built roads for which technical documentation is elaborated
 K7/c Number of public transport services benefiting from projects selected for support
 7/c 1 Number of cross-border public transport services developed / improved
 CO44 Labour Market and Training: Number of participants in joint local employment initiatives and joint training
 K8/b Number of projects related to joint local employment initiatives and joint training approved
 K9/a2 Number of health-care departments benefiting from projects selected for support
 9/a 2 Number of health-care departments benefiting from projects selected for support
 K5/b Population benefiting from selected projects
 5/b 1 Population safeguarded by improved emergency response services
 11/b1 Number of institutions directly involved in cross-border cooperation initiatives

The further analysis aims at assessing what is the progress at the end of 2019 in achieving the performance framework targets. The expenditure reported to FLC at 31.12.2019 is visualized in Table 24, while the expenditure reported in eMS is used for calculation of the rate of achievement of the targets (see Table 25).

Table 24. Expenditure reported to FLC at 31.12.2019

	Open call 1	Open call 2	Open calls 3	Flagship projects CN and FAF	Total byPA
Expenditure reported until 31.12.2019 (EUR)					
PA1	5,304,239.27	336,002.78		1,332,859.43	6,973,101.48
PA2		118,281.79	35,119.30	64,924.22	218,325.31
PA3			1,844,085.41	206,141.74	2,050,227.15
PA4			1,020,314.33	520,644.67	1,540,959.00
PA5	5,015,457.76				5,015,457.76
PA6		2,603,654.60			2,603,654.60
total	10,319,697.03	3,057,939.17	2,899,519.04	2,124,570.06	18,401,725.30
ERDF values in expenditure reported until 31.12.2019 (EUR)					
PA1	4,508,603.38	285,602.36	-	1,132,930.52	5,927,136.26
PA2	-	100,539.52	29,851.41	55,185.59	185,576.51
PA3	-	-	1,567,472.60	175,220.48	1,742,693.08
PA4	-	-	867,267.18	442,547.97	1,309,815.15
PA5	4,263,139.10	-	-	-	4,263,139.10
PA6	-	2,213,106.41	-	-	2,213,106.41
total	8,771,742.48	2,599,248.29	2,464,591.18	1,805,884.55	15,641,466.51

Table 25. Rate of achievement of the PF 2018 targets at 31.12.2019

PA	Expenditure reported in eMS (EUR)	Performance framework 2018 target	Rate of achievement of the PF 2019 targets at 31.12.2018	Rate of achievement of the PF 2018 targets at 31.12.2019
PA1	6,497,533.26	5,920,000.00	21.47%	109.76%
PA2	193,966.27	2,480,000.00	1.78%	7.82%
PA3	1,832,882.45	6,340,000.00	0.18%	28.91%
PA4	1,456,389.27	6,960,000.00	4.06%	20.93%
PA5	4,701,859.36	1,170,000.00	55.82%	401.87%
PA6	2,208,871.69	490,000.00	3.05%	450.79%
total	16,891,502.30			

Source AIR 2019, JS and own calculations

The progress in 2019, one year after the performance review, is significant for PA5 and PA6, which exceeded, to a large extent the 2018 targets, met the expectations for PA1. The other three priorities had good progress but are still significantly far from the targets.

The assessment indicates two key reasons for the non-achievements:

(1) the delayed programme implementation, as already explained in section T1.1. and several times referred to, and (2) the design of the performance framework and unrealistic targets.

The **Indicators Assessment (2018)** highlighted a large number of problems with the indicators system in general and with the performance framework, out of which some are synthesised below:

- The selection of the indicators is not appropriate in all cases, e.g. not specific or not relevant or the link with the result indicator is not clear
- The methodologies for baselines and targets are either not sufficiently explained or could not lead to correct estimates so that the targets are not realistic in some cases
- Key implementation Steps indicators are not correlated with the financial targets
- The 2018 financial targets are overestimated. The financial target is almost eight (8) times the EU contribution in the payment applications submitted to meet N+3 target in 2018.

Starting from the findings of the assessment mentioned above, the evaluator's view is that the performance framework is not internally coherent, with discrepancies between the financial and the physical indicators. The large gap against the targets suggests rather unrealistic targets and not only a problem of suboptimal performance.

In general, a very large achievement gap for a performance management tool diminishes the ability of the respective tool to stimulate performance, providing to all stakeholders an ambitious but still realistic reference.

Although the methodology for the performance framework and the indicators system was prepared with technical assistance support from HURO 2007-2013, the task was challenging, because of the novelty of the performance framework, the new approaches to result indicators and the complexity of forecasts. The analysis of the Programme documents also reveals the failure of the ex-ante evaluation to identify these problems. One of its objectives was, according to CPR article 55 (k) to assess "the suitability of the milestones selected for the performance framework". Although the ex-ante assessment methodology covered the main criteria, the assessment was not sufficiently in-depth to identify the problems early enough.

The indicators system weaknesses are in the background of the performance framework problems identified. Therefore, they should be treated together. The problems with the indicators system perpetuate in the programme implementation and affect the projects and programme achievements, as shown in section T2.1. The unrealistic targets and other weaknesses of the indicators are transferred at the project level, generating similar difficulties in setting and achieving project targets, measuring and reporting.

There are strong reasons to undertake a revision of the indicators system and the performance framework. More details on the indicators system assessment are included in Theme 6 and Annex 2.10.

Main findings

The performance framework failed to fulfil its role as a tool to measure and stimulate performance, setting incoherent and either too high or too low targets for the financial indicator and the physical milestones. There is evidence of unrealistic, lacking rigour, estimates of the targets, unclear definitions, inappropriate selection, not only for the performance framework indicators but for several outputs and result indicators of the programme.

Therefore, the results of the performance framework measured at 31.12.2018 cannot indicate accurately the extent of the suboptimal performance, where the targets were not met. The entire indicators system should be revised, and the performance framework as well.

Nevertheless, the progress in 2019 continues to be slow on some PAs, giving a warning mainly for PA2, PA3 and PA 4.

The COVID-19 pandemic will have a significant impact not only on implementation but also on demand for the services supported; therefore some indicators might not be realistic anymore, and their targets should be revised (mainly 6c where the flow of visitors and tourists was dramatically affected) or as methodology allowing for more flexibility in shifting activities adapted to long-distance interactions of people.

T2.4. Has the Cooperation Programme been able to raise awareness and attractiveness regarding funding opportunities? Q18

The attractiveness of the programme funding opportunities can be correlated with the **results of the communication activities**, the perception of the beneficiaries about their efficiency and **the number of applications submitted**.

The **communication activities of the Programme** were organized according to the provisions and indicators set up in the Communication Strategy. According to the AIRs, starting with 2017 continuous efforts were made to support project applicants, a series of events being organized in this respect: 24 Info Days sessions, 3 Partner Search Forums, 34 project generation sessions and 25 eMS help desk meetings organized to support project applicants etc.

The entire financial allocation was launched in 2017, and thus, the targeted communication with beneficiaries started in 2018. After the contracting of the projects selected within the 1st Open Call a series of 7 seminars were organized for beneficiaries, in April and May 2018, both in Romania and Hungary. These events aimed to provide beneficiaries with information on the project implementation process, on using the eMS system, regarding the FLC rules, as well as on how to communicate project results.

Also, information about the programme was disseminated through a variety of channels to reach the target groups according to their specific needs. Activities, such as regular website updates, e-Newsletter issue, Facebook posts, eMS Help desk sessions etc. were performed in parallel all through the period 2016 - 2018.

In the table below, there is a selection of the most relevant communication indicators; the achieved targets versus forecasted targets, based on the data included in the AIR for the year 2018.

Table 26. Main programme communication indicators and targets achieved

Relevant indicators for communication activities	Target value	Achieved 2016	Achieved 2017	Achieved 2018
Number of events for information and promotion of the programme ¹⁴	At least 1 joint Partner Search Forum for each open CfP and 4 Info days sessions held for pair counties in connection with each CfP	na	86	na
Number of targeted events for project beneficiaries held	At least 4 training sessions held for pair counties in connection with each CfP /series of approved projects (including use of the eMS system)	na	na	7
Number of participants in information events held for project applicants	Variable for each type of event	na	1628	na
Number of communication actions with media impact (<i>press conferences, press releases, interviews, advertisements via different media channels</i>)	Min. 1 actions with media impact/ year	2	21	5
Number of publications printed/ to be printed	Leaflets 1000, Project brochures and other publications, based on need	2000	6000	65
Number of users who receive the electronic newsletter	Variable, the function of e-mailing list: at least 500 persons/issue	500	2000	813

The Communication Strategy was also subject to an external programme evaluation between June - November 2017 within the Contract titled “*Evaluation of the communication activity to support the potential beneficiaries of the Interreg V-A Romania-Hungary Programme*”. No significant problems were identified during the evaluation of the Communication Strategy. Nevertheless, the evaluation provided some recommendations, which were taken into consideration by the programme bodies. Among the most important measures undertaken during 2018 as a result of the evaluation, we emphasize the following:

- the publication of the Project Implementation Manual in national languages
- increased number of eMS support activities for beneficiaries, which had a positive effect, being reflected in the opinions of beneficiaries participating in the survey when they rated the accessibility of the eMS platform
- the dissemination of project results and the involvement of beneficiaries in programme events
- certain upgrades of the website, such as the development of the calendar of events, the project public procurement section and the section dedicated to the presentation of projects under implementation.

All these improvement measures undertaken by the Programme were positively appreciated by those participating in the interviews, focus groups and answering the survey.

According to the **applicants and beneficiaries perception** related to the communication and support activities provided by the Programme, over 50% of the respondents appreciated them very positively:

information channels used were adequate	61.80%
applicants have easy access to information regarding the Programme.	59.55%
support for clarification and understanding of the Programme funding conditions and processes is available and accessible	50.56%

¹⁴ The Indicator is referring only to events organized for applicants (info days sessions, partner search forum).

The communication-related activities appreciated by the applicants/beneficiaries as being very satisfactory were the following: *availability and practical support provided by the Programme management structures (37.5%)*; followed by *effectiveness of the training and other similar support measures (29.55%)* and *accessibility to relevant information (22.99%)*. The clarity of the Implementation Manual and clarity and usefulness of other guidance manuals were appreciated as being very satisfactory by 19.54% respectively 11.36% of the respondents and were rated by 42.53%, respectively 50% of the respondents as being satisfactory.

Overall, it can be concluded that the communication activities were well appreciated by applicants/beneficiaries and may have contributed to the attractiveness of the Programme. It is to be noted that both written materials and direct support for beneficiaries/applicants were appreciated positively.

The main factors that made the Programme attractive, according to the beneficiaries' opinion are:

the only source of funding covering the cross-border cooperation needs	61.63%
positive experience with CBC programmes	54.65%
previous long-lasting partnerships across the border	67.05%

Another indicator for the programme attractiveness is reflected in the **number of applications** submitted during the calls launched. According to the eMS data, a number of 260 projects were submitted, out of which 99 were contracted or are in the contracting phase. This reveals a contracting rate of 38%, the number of submitted projects being 2.6 times more than the contracted ones. We consider this rate allows sufficient applications from which to select good projects for implementation and not excessive to waste efforts with unsuccessful applications.

Table 27. Number of applications rejected

Call / IO	Arad	Békés	Bihor	Csongrád	Hajdú-Bihar	Satu-Mare	Szabolcs-Szatmár-Bereg	Timis	Total
FSP1							1		1
7b							1		1
FSP2								1	1
9a								1	1
FSP3	1	1							2
6c	1	1							2
OC1	4	4	10	1	4	11	3	5	42
5b	3	2	3		1	8	1	4	22
6b			1		1	1	1		4
6c	1	2	6	1	2	2	1	1	16
OC2	7	8	21	4	12	12	5	9	78
11b	6	7	19	4	12	11	5	9	73
6b		1							1
7c	1		2			1			4
OC3	1	1	14	1	1		3	3	24
8b	1		9				3	1	14
9a		1	5	1	1			2	10
Total	13	14	45	6	17	23	12	18	149

A lower number of applications from a certain county is not in all cases about the capacity, but also about the attractiveness and chances of success as compared to other opportunities. This is the case of Szabolcs-Szatmár-Bereg county, eligible in three (3) CBC programmes, and Timis, Csongrad and Satu-Mare counties, eligible in two (2) programmes.

ROHU Programme has a significant difference between counties regarding the number of projects, the funding contracted, the number of partners. The county is the administrative-territorial level most used and embedded in the programme approach and processes and the "County Council" is the most prominent policymaker in the eligible area. The county councils, together with the county capital cities, are the beneficiaries with high participation to the programme budget. For example, on the flagship projects (see Annex 2.12). The polarization of the programme on counties may create competition for attracting funds diminishing the overall territorial cohesion aim.

In this section, the evaluator discusses only the influence of the programme attractiveness on the participation of the partners and the equal access to funds. Comparisons with HURO Cooperation Programme 2007-2013 will be made to understand differences and factors influencing participation.

HURO Programme was significantly different than ROHU Programme in terms of participation because 453 projects¹⁵ were funded according to the database available at http://www.huro-cbc.eu/en/financed_projects/ (accessed at 28/03/2020) compared to 99 projects contracted and “in contracting” at the cut-of-date and most probably just a little above 100 by the end of the Programme. The data suggest that ROHU is less open to a large range of potential beneficiaries. A quick comparison highlights in ROHU low participation of the universities, a range of communes and NGOs. The evaluator assesses that the situation is due to the programme and calls for proposals design with higher concentration of funds per project and partners and fewer projects in ROHU than in HURO.

A comparison of ROHU with HURO and 51 CBC programmes 2014-2020 with data on www.keep.eu shows that the average ERDF budget in ROHU is EUR 1.6 million, compared to EUR 0.579 in HURO and EUR 4.562 million for all 51 CBC programmes. Other comparisons in Annex 2.13 show that the ERDF budget per partner in ROHU is close to the average of all 51 CBC programmes¹⁶.

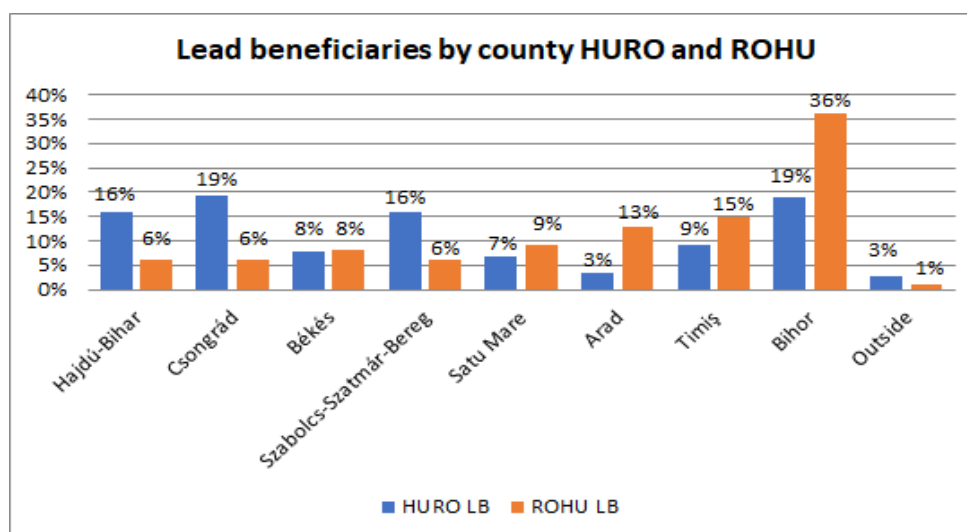
The extension of the partnerships is comparatively visualised below.

Table 28. Comparison HURO – ROHU. Partnerships by number of partners

Partnerships	Lead + 1 partner	Lead+2 partners	Lead+3 partners	Lead+4 partners	Lead +5 partners	Lead +6 partners
HURO	295	102	38	13	5	0
	65%	23%	8%	3%	1%	0%
ROHU	48	27	15	5	3	1
	48%	27%	15%	5%	3%	1%

The distribution of the lead partners by county is visualised in the figure below.

Figure 2: Share of Lead beneficiaries by county in the total number of projects



Source: monitoring data ROHU, http://www.huro-cbc.eu/en/financed_projects/ author calculations

The location of the lead beneficiary by county appears strongly linked with the country where the MA is hosted. All counties except Békés and Satu Mare have large differences in the number of lead beneficiaries (and total shares) between the two programmes. In all cases, there are more on the side of the border where the MA is located. The differences are significant, 17 percentage points in the case of Bihor, 13 in case of Csongrád and 10 in case of Arad, Szabolcs-Szatmár-Bereg and Hajdú-Bihar.

This finding was confirmed in the interviews and focus groups. There were opinions that the location of the Managing Authority in one country might influence either attractiveness to participate or the role in the project. Thus, the financing contract is under the Romanian legislation, and the partnerships prefer to assign a Romanian lead which has fewer fears and risks concerning difficulties with enforcement and interpretation of the law.

¹⁵ The evaluator found small differences between data downloaded from the HURO website and www.keep.eu, on the first one there are 453 projects and in the second one there 455 projects.

¹⁶ Data downloaded from www.keep.eu at 27.04.2020.

Obstacles encountered by the stakeholders in participating in the Programme and the measures undertaken.

The inventory of the difficulties encountered by the stakeholders to participate in the programme was possible due to many interviews and rich discussions with programme stakeholders.

The **delay of the programme implementation** is a frequent evoked problem and a negative factor affecting the participation in the projects' selection competitions. This issue refers to the delayed launch of the calls for proposals, the delays in the evaluation and selection process, unpredictable timetable of the funding opportunities.

Trust and chances of success are considered by the stakeholders equally important. Linked to this need, the stakeholders are encouraged to participate when they have proper funding opportunities, in the sense that competition is reasonable, the funding is adequate for the expected demand (projects submitted). The interviewees mentioned the competition was high because the allocation was relatively small, and it was only one call per Ip for the entire period. This issue could be addressed by the programme design. The allocations and the type of projects intended to be financed may influence the "openness" of the program, reflecting what extent the programme intends to have more projects or more partners by broader partnerships

Language could be a barrier. Although English is the official language of the programme, communication in English is a challenge for some beneficiaries. Therefore, some stakeholders have the view that more bilingual Hungarian and Romanian JS staff would ease the communication. This issue was addressed somehow by involving the InfoPoints and employing more Hungarian speaking staff in the JS. At present there are 10 Hungarian speakers in the JS. Other Romanian and Hungarian stakeholders emphasized that English competence in the project team is an important factor in the CBC projects.

The administrative burden. The discussions with the beneficiaries indicated that they perceive this problem in several phases, starting with the application phase and continuing until the post-implementation phase of the projects. The evaluator did not find in the discussions with the stakeholders the opinion that the administrative burden is at a level that may prevent participation, but causes some concern during the implementation. The perception of the stakeholders on the two sides of the border has some differences, in the sense that in Romania, the stakeholders perceive the ROHU Programme less bureaucratic than the mainstream programmes. For these reasons, some beneficiaries, not all of them, comply easier and feel secure working in an environment with a high degree of control. However, the Hungarian stakeholders stressed the need for simplification. There were measures already adopted, e.g. regarding the support documents in the application phase, the notifications procedure, but there is room for improvement. One specific CBC issue is the validity of the documents in the national language so that once they are valid for the Hungarian authorities, they are valid for the Programme and would not require translation, even if support for translation is provided. More examples are provided in other sections of the evaluation report. The extent of the justifications for project modifications, including those subjects of notification, is considered excessive and not necessary by several beneficiaries.

Involvement. The programming phase is the time when various stakeholders in the eligible area could be mobilized or could be offered the opportunity to contribute to the future programme. At the time of this evaluation, the programming for 2021-2027 was launched, unfortunately, affected by the COVID-19 mobility limitations. In this context, the interviewees referred to their involvement in the programme beyond the project's application, evaluation and selection and implementation. The stakeholders have expectations to be involved efficiently. The low participation in the events organized may discourage those present, who allocated their time for fruitful discussions (e.g. in the case of the programming events). There are reasons to believe that the events usually organized in the previous programming phases are not anymore adequate, and not only because of the COVID-19 state of emergency. The shift to long-distance networking and working groups, adequate methods for creativity and cooperation should be considered.

Moreover, the stakeholders expect to be more involved in the programme management, providing technical inputs whenever it is needed to be integrated into the programming process. Continuing to cooperate in thematic working groups could be a platform to generate new ideas to support programme management. The programme can make better use of the knowledge and human potential of the region.

Main findings



The ROHU Programme continues to be an attractive funding possibility for both Romanian and Hungarian side. The lower number of projects and partners in the current programme compared to its predecessor is due more to the programme and call for proposal design, focused on fewer and more significant projects, including flagship projects, than to barriers that prevent participation.

The stakeholders appreciated the improvements undertaken, including reducing the supporting documents in the application phase and flexibility regarding the administrative requirements. Further improvements are needed, including faster, more predictable processes, continuing to reduce the administrative burden (e.g. reducing request of documents already validated or released by other authorities, documents that could be verified directly at the source or owner, simplifying the project amendments, reducing the level of the details controlled). These examples refer to but not limited to the registration documents, fiscal certificates, employment documents (further explained in section 3.3. about the accessibility to administrative data)

3.3 Theme 3 - Performance of the implementation system of the programme

<i>valuation questions</i>
T3.1. Did the Guide for Applicants and the entire application package allow applicants an easy and appropriate preparation of the application form? (Q1)
T3.2. Is the project evaluation, selection and contracting system efficient? (Q2)
T3.3. Can the evaluation, selection and contracting of projects be accelerated? If yes, which are the proposed measures? (Q3) Please indicate what should be improved
T3.4. Is the project monitoring system efficient? What can be improved? (Q4)
T3.5. Do the anti-fraud activities carried out by the Programme management structures lead to the achievement of the objectives set out in the Anti-fraud Strategy? Which measures were most effective in managing the risk of fraud and fraudulent sanctioning activity? (Q5)
T3.6. Are there specific factors that prevent the effective use of technical assistance funds? If yes, what would be the proposed amendments? (Q6)
T3.7. Is there a balance regarding the involvement of stakeholders in the implementation of the Cooperation Programme, including regarding their participation in the Monitoring Committee, in line with the application of the partnership principle? (Q7)
T3.8. Which are the major difficulties that beneficiaries face? What measures can be taken to overcome them? Is there sufficient support given to the beneficiaries to implement their projects? (Q9)
T3.9. Do the actions taken to reduce the administrative burden on the beneficiaries work? What be improved? (Q10)
T3.10. Is the use of simplified cost options effective? What can be improved? (Q11)
T3.11. Is the Electronic Monitoring System functional and efficient in collecting and quantifying target values? (Q15)

T3.1. Did the Guide for Applicants and the entire application package allow applicants easy and appropriate preparation of the application form? (Q1)

Overall, the Guide for Applicants developed for ROHU Programme is a practical and useful document that provides within five main chapters the necessary information, namely:

- The section on the *General information* that offers detailed information on the programme strategy, programme implementation structure as well as PAs, indicators and financial allocation with highlights on the specificity of each call;
- The section on the *Rules of the calls for proposals* that clearly describes the call and provides general and specific eligibility criteria for applicants, type of actions and expenditure.
- The section *How to apply* that provides clear indicators on how the applicants must fill the application form concerning eMS annexes as well as the list of annexes that the applicants should fill in and submit.
- The section *Assessment and Selection of Applications that informs the applicants on the procedures of project assessment, clarifications and complaints*
- The section *Contracting* that briefly describes the pre-contracting stage conditions as well as the contracting stage steps.

Thus, as documented from the desk review, the GfA offers detailed information on the programme rules and eligibility criteria, eMS application instructions and the indicative examples of the eligible types of actions and specific methodology for calculating the indicators for each Ip as the ones presented in the Fact Sheets, which represent a strength of the guides. This allows a better framing of the projects into the programme's objective through the focus of

the interventions, understanding as well as the programme indicators and their calculation. The structure is similar for the two types of guides developed, namely for normal calls for proposals and restricted calls for flagship projects. A detailed analysis of each section of the Guide for Applicants as well as of the Annexes is provided in Annex 2.16.

In terms of the clarity and accurateness of the guides for applicants, from the interviews and focus groups held, there were no major complaints on the guides for applicants. For some beneficiaries, there were different outstanding issues related to budgeting and definition of indicators as well as on the volume of documents requested in the list of annexes.

Also, from the results of the survey, although with limited coverage, we notice the opinions of the beneficiaries and unsuccessful applicants that are satisfied with the applicant guide as 73.47% of the respondents assessed the quality of the calls for proposals and the guides for applicants as satisfactory (44.62%) and very satisfactory (23.08%) and also the support received for preparing the applications as satisfactory and very satisfactory (67.19%). Also, according to the survey, the main difficulties in the application phase were related to the high number of documents required (30% of the respondents) as well as to the long delays in the evaluation process that lead to the unpredictability. Nevertheless, the interviewees highlighted the improvements with the simplification and flexibility already adopted regarding the documents requirements.

Thus, as also presented in Annex 2.16, some areas should be simplified, such as the list of documents requested from the applicants. For example, one aspect that could be simplified would be eliminating the documents that could be verified from other administrative sources, Register of Cults, NGOs and that would imply the need for a direct collaboration through specific arrangements between the MA and the relevant authorities for issuing these documents. Some documents could be transferred to the contracting stage such as the “the official statement of the relevant decision-making body regarding the support of the project and the availability of the own contribution for the planned investment, during the implementation of the project” or the declaration from Environmental Protection Agency at the county level, requested based on GO 445/2009 on public and private projects’ impact evaluation on the environment (Annex V.8). Another aspect is related to the environmental indicators, and different certificates could be requested only in the second step, such as the Urban certificate for the flagship projects.

Simplification could also include maintaining only the most relevant information in the guides, e.g. performance framework for all IPs is not necessary but only for those subjects of the call. In terms of simplification measures taken by the Programme management structures, it is worth mentioning that to be as flexible as possible - the Programme allowed 2 clarification/completions rounds during eligibility check, 1 round during quality check and 1 during the state aid incidence verification. This means a total of 13 - 18 working days for each call. In calendar days, it is up to a month.

In what concerns the number of documents, the Programme has modified the assessment methodology up to the point that no projects were excluded for compliance reasons.

Main findings

The applicant guide is a useful and clear document, and the support provided by the Programme during the project preparation stage is adequate.

Different other aspects could be simplified in the applicants guides especially as regards the list of requested documents (for example requesting the urban planning certificate only in the full stage of application form for strategic projects), and different aspects could be improved especially for the next programming period such as better framing within the relevant strategies.

The Applicants Guide should also include more concrete examples of compliance with the horizontal principles: a) sustainable development principle; b) equal opportunities principle. This subject will be further elaborated in Theme 4.

T3.2. Is the project evaluation, selection and contracting system efficient? (Q2)

The projects’ evaluation, selection and the contracting process started in December 2016, one year after the approval of the Programme. The whole process was channelled on three OCs and three RCs, one of them, namely RC1 being relaunched because no project passed the administrative and eligibility compliance (AEC) phase. The first open calls were launched at the very end of 2016 (29.12.2016) under high pressure of time caused by the acknowledged delay.

Three key reasons for the delay are mentioned in the AIRs 2017 and 2018:

- delay in approving the Programme document.
- the slow process of setting up the legal and administrative framework needed for starting the Programme implementation (the slow process in approval of MoI, DMCS, getting fully operational the Programme structures, or discussing the guide for applicants).
- incidence of the State aid regulations on the investment priorities selected.

State aid is a complex subject, in general. At the same time, in case of ROHU Programme, the cross border- feature, the novelty of application without previous similar experience, required extensive work with the competent authorities from Hungary and Romania to establish the incidence of the state aid rules and design the schemes.

According to JS, the analysis and the design of the schemes took off one year from the programme implementation time. Among the difficulties mentioned in this respect was the framing of the interventions against the state aid criteria, the specificities of the economic advantage in the sense of using local impact or services of general economic interest, the circumstances for applying the Altmark conditions, the indirect advantage, different conditions leading to different incidence on the two sides of the border.

Looking back, an observer or a person indirectly involved may consider now that the process should have been shorter. We believe that there is evidence that this issue should be seen as a cost paid for finding solutions to the state aid problem encountered in general in public investments not only in this Programme. The focus should be on learning from this experience for the future.

The state aid incidence had multiple subsequent effects on the programme implementation over the entire period to which we will refer again in this report from other perspectives. A quick review highlights all the processes that had to be integrated, specific tasks such as awareness and training, support to beneficiaries, the state aid assessment phase being integrated into the evaluation process, ongoing support for MA, HUNA and JS to deal with the state aid issues, monitoring of state aid schemes and ex -post assessment, the procedure for recovering illegal state aid and adoption of a memorandum between the states to cover the recovery from the Hungarian beneficiaries, as the state aid provider is a Romanian authority.

Because of the difficulties in finalizing the State aid schemes, the MC decided in the second Monitoring Committee meeting that the calls for the Ips not falling under the State aid incidence had to be immediately launched, followed by the others as soon as the state aid issue was cleared. The timeline of the calls visualized in Figure 3 reveals the sequential launch of the calls starting with December 2016 with the Ips not falling under state aid incidence.

Above the time axis, the three open calls are represented and below the three restricted calls. The interviews and the focus groups discussions revealed that due to the late start of the calls, it was decided the calls to be launched for the entire funding available.

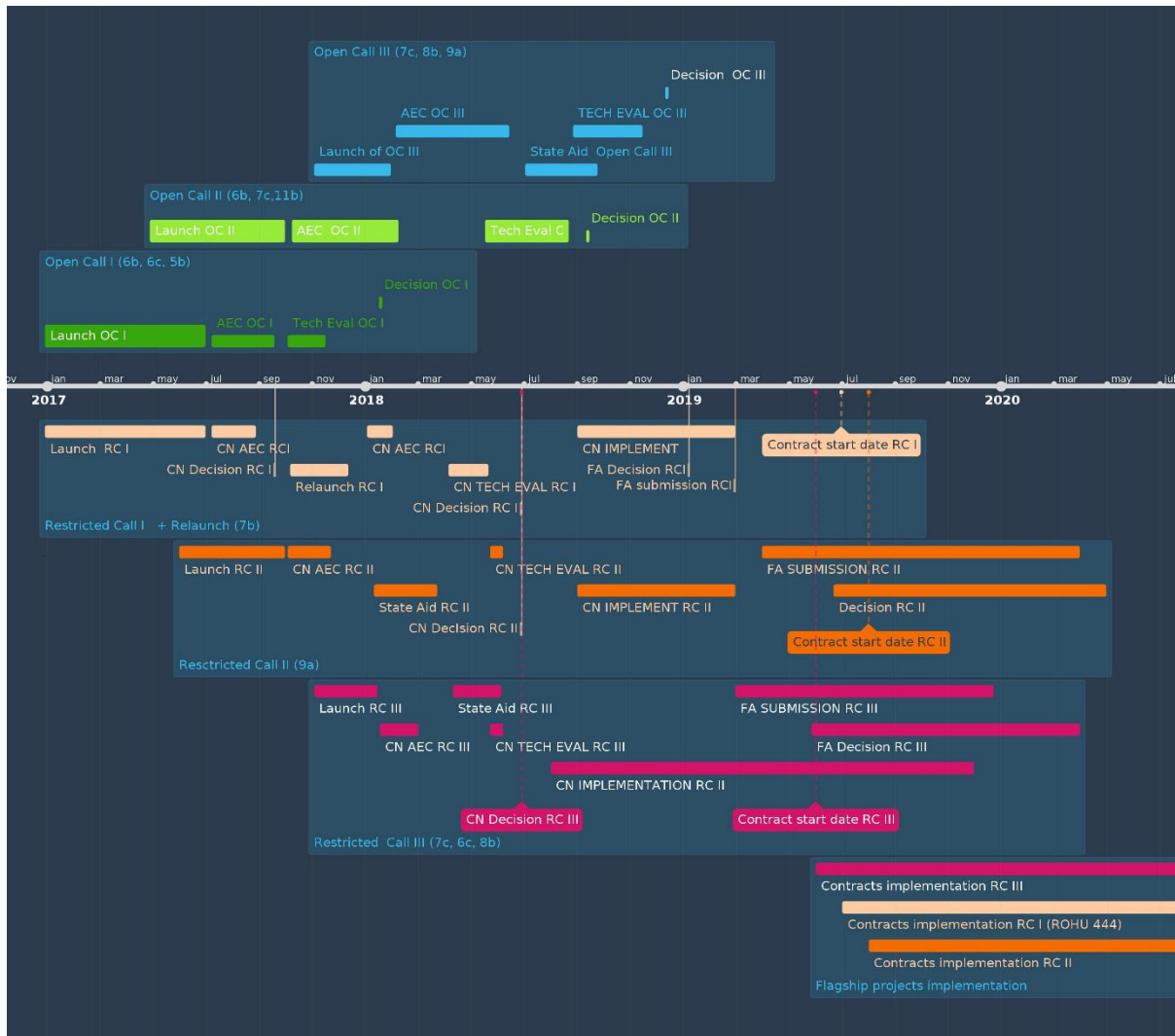
The open calls evaluation and selection process extended over 2 years, between December 2016 and December 2018 when the last Decision of selection was made for the OC III. The restricted calls still have projects under evaluation for RC II (IP 9a) and RC III (IP 6c).

The three **open calls had relatively similar durations** (from launch, to the first contract signed), between 1 year and 1 year and 4 months. The OC II, with the longest duration, **had a delay between the Administrative and Eligibility Check (AEC) and the start of the Technical Evaluation (TE)** of three months and OC III of two months. The **MC Decision was fast** in less than one month for the OC II and OC III, but 2 months in case of OC I.

The restricted call for proposals had **longer durations, mainly caused by the Concept Note phase**, which was, in fact, a financing contract for the preparation of the technical documentation. The overall duration varied from 2 years and 2 months (RC III) to 2 years and 5 months (RC I – which included a relaunch of the call) and 3 years in case of the RCII. The MA informed that the total duration of the CN implementation period was extended at the request of the beneficiaries, mainly due to problems related to public procurements. The Programme showed flexibility and decided to support the beneficiaries throughout the implementation process, thus accepting their requests for extension.

Despite the launching of the three RCs was made at 11 – 12 months differences, the MC decisions regarding the **selection of the concept note were made at the same time, in June 2018**. For the Full Application Form (FAF) phase, the process was smoother, with shorter durations of submission of the FAF, evaluation and decision making. The overall picture shows long durations for CN implementation (mainly for RC III). As also noticed for the open calls, **a delay in starting the technical evaluation** is noted and **a longer period for the State Aid evaluation** than the Technical Evaluation.

Figure 3: Timeline of the projects evaluation, selection and contracting process.



Source: JS and author processing.

Legend: OC - Open call; RC - Restricted call; AEC - administrative and eligibility check, CN - concept note, FA - full application. TECH Eval – technical evaluation.

The evaluation process of the restricted calls was long mainly because of the **concept note phase** that was introduced as a financing contract, imposing two rounds of evaluations. The concept note aimed at ensuring mature projects, supporting the beneficiaries to prepare applications based on good quality technical documentation. However, not the concept note itself is a problem but rather the way the concept note approach was implemented, leading to two contracts for each flagship project, one for the preparation of the technical documentation (referred to as Concept Note) and the contract for the project implementation (referred to in the programme as Full Application Form). The opinions of the beneficiaries vary, some considering it was a burden and others considering it was good to support for the public beneficiaries with limited financial resources for preparing the technical documentation.

Overall, the evaluators noted **several positive features**. Firstly, it was noted the capacity of the programme management to deal with six parallel calls ensuring to a large extent coherence of the phases and steps, short durations of the assessments, i.e. AEC and technical evaluation. We found a plus also in the concern of the programme management to help the beneficiaries to develop good quality projects, ensuring funding for the technical documentation and preparation of the application.

The sequencing of the process steps appears well planned, while several factors generated delays, more or less beyond the Programme management control. We may refer to breaks between the evaluation phases (mentioned above and visualized in the timeline scheme), the delays of some beneficiaries in finalizing the concept note, requesting extensions, taking the decision on all concept notes at the same time to ensure the balanced allocation of funds.

On the other hand, the minus of the approach is the long duration with high administrative costs generated by the two rounds of technical evaluation. Although the flagship projects are of high importance, with significant financial resources, aiming at addressing the key needs and expected to generate strategic impacts, the reality showed the low capacity of the beneficiaries to present mature projects in an early stage. For this reason, most of the flagship projects

have deadlines in the last year of the programme implementation, 2023. Other contextual factors affected the contracting process, such as delays in signing the co-financing contracts or limitations in over contracting for the Hungarian beneficiaries.

The beneficiaries provided in the interviews, survey and the focus group, positive views but also needs improvement.

The results of the beneficiaries survey on the appropriateness of the call for proposals and the evaluation, selection and contracting processes indicated a generally positive opinion (based on 43% of the beneficiaries who found them appropriate to a large extent, 37% to a moderate extent and 12% to a low extent).

There were several examples of **simplification already implemented**, such as eliminating specific administrative documents, not imposing originals, more flexibility in the submission of documents and clarifications, ensuring the submission of the documents in the national languages by the beneficiaries, eliminating the pre-contracting visits to speed up contracting.

There were also opinions that the administrative burden is high, and the process is bureaucratic, more than in the predecessor programme. The late launch and long duration of the evaluation process are considered excessive and “*unacceptable against any reasonable standards*”. Some beneficiaries expressed expectations from the Programme management structures, which, even though these opinions could be isolated, should be treated carefully. Thus a better focus on the quality is expected, more effort to understand the project content, observe the legal limitations to access co-financing by the Hungarian beneficiaries in case of project selection under over-contracted budget. Some beneficiaries perceive the Programme not sufficiently civil sector friendly, although the NGOs are eligible on all PAs. The main concern of the NGOs is the limited opportunities given by the single calls per Ip, reallocation of the funds not used to infrastructure investments (i.e. Ip 9a – health infrastructure) so that the chances of success of the NGOs remain limited. Although these opinions do not represent the majority they were expressed in the survey and the interviews, and we integrate them in the assessment as ideas for improvements, and not as a qualitative label of the programme.

The interviewees also indicated concerns about the capacity of the procedure to ensure the selection of good quality projects, for the selection of the flagship projects with a strategic impact in the eligible area.

Firstly, the approach for flagship projects selection does not provide evidence of a method of assessing the strategic feature of the project. The interviewees largely shared the view that the endorsement of the county councils does not use appropriate instruments (definition, criteria) to filter the proposals from the strategic perspective. Therefore, this may limit the fair, competitive access to funding of various stakeholders and affect the identification of the projects with the highest potential impact.

Secondly, the data collected through interviews, focus groups and questionnaires revealed mixed opinions regarding the quality of the evaluation process, many of them referring to “not useful, difficult to understand recommendations”, technical errors, not understanding the Hungarian specificities. Not pretending to formulate a conclusion on the quality of the evaluation of the projects, we can mention that by analysing a small number of evaluation notifications we found evidence of unclear – we may say unuseful - recommendations such as “in the development of the Full Application phase and for an effective implementation it is recommended to have a better definition of direct and indirect targets to measure specifically the impact and the sustainability of the results”. Moreover, we believe that in the respective projects, other qualitative issues should have been addressed.

The Evaluation team experience shows that the selection of the assessors is a concern for several cross-border-cooperation programmes. Several approaches were tested, and all have pluses and minuses. Still, the key elements appear to be: the relevant experience in projects evaluation, in territorial cooperation programmes, understanding of the national context of both countries (could be covered by relevant experience). Our search identified three particular options. (1) The mixed evaluation teams with assessors from both countries; however, there are views that it should be rather replaced by teams based on wider international experience, including the respective countries. (2) Internal evaluation MA, NA, JS staff could be an option; however, several difficulties are linked to the allocation of responsibilities or avoidance of conflict of interest. (3) Creation of a network of assessors to serve several programmes.

Stressing the fact that there is no perfect method and procedure, above all, the one adopted should be the joint solution of the MA and the NA.

The evaluation, selection and contracting process overall had a limited efficiency mainly because of the restricted calls for proposals extending over more than 2 years, involving two rounds of technical evaluation and in some cases extensions of the concept notes contracts. The challenge for the MA, HUNA JS and Information Points and all programme structures was high because the six calls for proposals were almost in parallel implemented, creating a high workload.

The programme management adopted simplification measures to accelerate processes and reduce the burden on beneficiaries. Still, the beneficiaries would welcome further simplification and reduction of the bureaucracy.

Combined with the delayed launching of the calls for proposals, the long duration of the evaluation led to a late start of implementation of the projects in 2018. The delay is significant compared to other similar cross-border cooperation

programmes that started the first projects in 2015, the peak of the number of starting projects for 51 CBC programmes for which www.keep.eu published data was in 2017 (detailed in Annex 1.13 Comparative overview).

From the qualitative point of view, the current approach does not have the adequate tools and have not proved in practice that it can filter the mature and strategic projects in case of the flagships, satisfying the expectations of the beneficiaries in terms of quality assessment including constructive recommendations for the implementation.

T3.3. Can the evaluation, selection and contracting of projects be accelerated? If yes, which are the proposed measures? (Q3) Please indicate what should be improved?

The possible solutions to accelerate the evaluation, selection and contracting process are built on the weaknesses identified in the current process.

- Firstly, the selection of the flagship projects should consider the need to select mature projects with a real strategic impact in the eligible area. The selection should be made on a competitive basis, early enough – in the programming phase, in a transparent manner. The strategic impact, but also a high degree of integration on both sides of the border should be considered in the procedure, according to the subsidiarity principle. Because the flagship projects use a significant part of the funding, and they are of strategic importance, they should be included in the programme document.
- Support from the TA of the programme should be provided to ensure the flagships project' maturity, including projects selection, support to project development and financing of the preparatory studies and technical documentation, according to the provisions of the regulations
- State aid assessment phase could be performed with an internal staff of the JS accelerating the process.
- Several Calls over the implementation period would distribute the workload and would also help beneficiaries, to better plan their submission and work on their projects.
- MA and NA should work together to agree on the most appropriate approach to ensure the expertise for the evaluation of the projects. The joint approach is recommended having in view there are several options from which to select: building in-house capacity for part of the evaluation tasks, combined with external expertise procured from a pool of experts working in Romanian – Hungarian teams, or just as experts with relevant international expertise.
- Support to beneficiaries for improving the quality of the projects should be continuously provided, despite their experience, shifting the focus from compliance rules to the project intervention focused on results.
- Maintain the current positive attitude in responding to the simplification requests or opportunities of the potential beneficiaries, searching solutions for the typical barriers of the public administration. One recommendation which is also reflected in the simplification theme is to eliminate the requirements for documents that could be directly checked by evaluators accessing national registers and databases, such as national registry for NGOs, fiscal certificates, employment registers, etc.

T3.4. Is the project monitoring system efficient? What can be improved? (Q4)

The assessment of the project monitoring efficiency was focused on the projects' monitoring processes and resources required by beneficiaries and Programme implementation structures for achieving the expected role. The analysis used data from the review of the current procedure, the monitoring processes observed and the opinions of the beneficiaries, monitors and Information Points.

In general, the monitoring system design, including the responsibilities, the processes and the tools, sets the premises for the efficiency of the entire monitoring process and achievement of its scope. ROHU Programme monitoring is multilayered, integrating the projects monitoring at the beneficiary level with the projects monitoring performed by the programme management structures.

On the one hand, at the beneficiary level, the Lead partner is responsible for the overall project monitoring aggregating the inputs from the partners' contribution. The partners and the Lead partner use the eMS system for providing the monitoring data and report to the programme structures. On the other hand, on the programme management level, the projects' monitoring function is centralised, the responsible structure being the "Projects' Monitoring Service" (PMS) within the Directorate General for European Territorial Cooperation of the MPWDA, having transversal monitoring responsibilities for several Cross Border Cooperation Programmes. According to the procedure, the project monitoring tasks are partially delegated to JS. The Information Points carry on monitoring tasks related to the Hungarian beneficiaries. Further on, in this report PMS should be understood as a unit of the MA.

The MA (PMS) representatives shared with the evaluator the vision of having one integrated team of monitors at central level together with the JS monitors, ensuring support for competences development, especially for new staff. The evaluation team found opinions that the MA (PMS) monitors representing a central government authority compared to JS perceived as a local structure, strengthen the monitoring effectiveness in relation with specific beneficiaries.

Aiming to increase the monitoring efficiency, MA (PMS) revised the monitoring procedure, improving the progress report structure and reinforcing the risk assessment principles in the processes and tools. This required the harmonization of the JS procedures, just finalized by the time this evaluation report was drafted.

The **demarcation of the monitoring responsibilities** delegated to JS is set in the monitoring procedures. While JS is responsible for the monitoring involving a close, frequent relation and presence in the eligible area, MA (PMS) retained the responsibilities for the monitoring of large and high-risk projects, as well as a 10% sample of projects. The procedure also suggests there is no approval of the progress reports required, but MA (PMS) uploads in eMS the checklists.

The interviews with the MA (PMS) monitors revealed they have good contact with the realities of the project in the available area, a very good knowledge of the projects implemented, deep understanding of the problems at the project level and also on the functioning of the monitoring system. They have the potential to contribute to the development of the monitoring capacities in JS.

A challenge for the monitoring system was the need to develop the JS capacity, having new and more significant responsibilities, compared to the role played in HURO 2007-2013. Therefore, the monitoring capacity of JS was adapted to the increasing volume of monitoring activities, and new monitors were employed. JS has ten monitors out of which three are recently recruited. At this stage, the average number of projects per monitor is around ten (10) at the level of JS and around 25-35 at the level of MA (PMS). Joint teams approach could contribute to know-how transfer mainly towards less experienced monitors, and to the capacity building of JS.

The most recent report of MA (PMS) to the MA (December 2019) reveals the delegated responsibilities are overseen by MA (PMS), highlighting weaknesses and proposing measures for improvement including rigorous monitoring, with the compulsory first visit and first risk assessment in the first two months after contracting and harmonization of the JS procedure with the revised procedure of MA (PMS). The changes are related to the risk assessment methodology, introduction of the verifications during the sustainability check regarding the state-aid conditions; therefore, a sustainability report was introduced in the procedure. This approach was confirmed in the survey by the beneficiaries, indicating the need for more intense communication and cooperation with the monitors at the very start.

Moreover, MA (PMS) proves to be aware of the monitoring specificities for the different types of projects, which requires the ability of adaptation of the monitoring process and interpretation of monitoring data. In general, although the eMS captures accurately the progress reported in the progress reports, it does not reflect the "REAL-TIME" achievements. MA (PMS) considers there is an up to 6 months delay between the progress of the physical implementation and the data (including problems) reflected in the progress reports. For the large infrastructure projects, progress could be reported less frequent than in the case of the smaller soft projects.

The monitoring based on risk assessment, harmonisation of the procedures of MA (PMS) and JS, the transfer of expertise towards JS monitors are positive factors for efficient projects' monitoring.

However, the procedure and the practice reflected in the monitoring reports, e.g. joint monitoring visits of 3-4 monitors from MA (PMS) and JS, indicate duplication of tasks between the two structures.

Moreover, the four Information Points perform monitoring tasks related to the Hungarian beneficiaries (Lead partner and partners.) The Information Points receive specific responsibilities from JS, rarely from the MA (PMS). Similarly to JS monitors, the IP staff are very close support to the beneficiaries, specifically the Hungarian beneficiaries. Both the Information Points staff and beneficiaries interviewed confirmed the very good relations, the support for using or learning to use eMS, reporting, or tackling problems encountered in implementation.

The Information Points' contribution to monitoring is, however, limited to the role of the Hungarian Lead partner or partners in their project and do not always have the overview of the implementation status and the problems of the Romanian partners. The IP staff are well integrated into the JS team, with access to all information in the eMS system, preventing shortages in communication, that occasionally occurred in the past leading to situations when the IP staff were informed late about changes or news, even after the beneficiaries are informed. Support to IP was provided by JS in the evaluation phase with supervision and support for the improvement of the evaluation grids. The positive attitude, eagerness to learn, good English language skills offer **good potential to increase the Information Points staff** contribution to the monitoring processes.

The challenges at the beneficiaries' level are numerous, require significant resources and could generate delays. Enumeration could start with the difficulties faced by large partnerships or limited experience of the partnership members. The Information Points, the monitors and the beneficiaries interviewed confirmed that a large number of partners and changes in the partnership during the implementation could generate difficulties in implementation including the coordination with partners, data collection, efficient and timely monitoring of their activities and reporting. At the **beneficiary level, a decisive factor** for the monitoring efficiency is the relevant experience of most of the beneficiaries present in all partnerships. The partnerships rely to a large extent on previous cooperations, previous experience in HURO 2007-2013 programme or other CBC programmes. Usually, new entities to the programme are integrated with experienced ones having the opportunity to use their experience. In the interviews, several partners provided examples of mutual support and transfer of know-how in the management process.

The frequency of the reporting is quarterly and found reasonable. JS tightened the reporting requesting weekly reports to have a stronger control and speed up implementation, but this resulted in a burden, and it was dropped down at the request of the beneficiaries. This reaction proved to be a flexible approach and a constructive response to the beneficiaries' needs.

The survey results indicate that overall, the beneficiaries are satisfied with the monitoring system, 61% of the respondents indicated a high or a very high satisfaction and 15% a moderate one, while around 11% considered it unsatisfactory or very unsatisfactory. The interviews provided concrete evidence for mixed opinions. Firstly, the good relations of the beneficiaries with the monitors (both from JS and MA (PMS)) and IP staff create a feeling of trust, support and willingness to help and resolve the problems.

Many beneficiaries interviewed indicated that the monitoring system is functional and adequate for people already experiencing projects implementation, but there is place for improvement.

The additional eMS functionalities could improve the efficiency of monitoring at the project level, from avoiding duplication of data entry for the consolidated report of the Lead partner after the input of data by the partners to improved visibility of the progress in implementation, not only the financial one but also the physical progress.

The focus of the monitors to speed up spending to avoid decommitment may diminish the attention to the monitoring of the physical progress and affect the accuracy of the monitoring data. Similarly, the contracting without a site visit aiming also to speedup contracting proved that errors may not identified early enough were revealed later, which is important although JS has not the competence to decide modifications in the contracting phase, with the exception of the modifications specifically indicated by the assessors and approved as such by the MC.

A negative factor affecting the efficiency of the monitoring is a large number of modifications of the contracts either due to errors in the project applications or changes in the context of the projects. Anyway, 19 changes in a contract, as exemplified by one interviewee, cannot be due only to contextual conditions but also to the quality of the projects or the level of detail subject to a contract modification.

Many beneficiaries indicated that the level of control is excessive and is transposed in delays for approvals or excessive explanations, not usual in other EU programmes if they contribute to the contract objectives. The notification procedure for small modifications is not as it would semantically mean, because it requires approval. The beneficiaries find it difficult to prepare the documentation required for project modifications and to meet the expectations of JS, therefore a chain of clarifications and corrections make any process long and the approval slow. Therefore, despite the support of the JS, the processes are long and demanding for all parties. The MA considers the level of detail that is claimed to be excessive is needed to prevent errors and brings benefits to the overall projects' performance.

Simplifications of the monitoring visits reports were suggested in the interviews, despite apparently the templates appear straightforward, there are potential overlaps and repetition of information in different parts.

The projects indicators with the targets, the state aid conditions also raise challenges for the monitoring of the project. It appears that the state aid conditions are not clearly understood by the beneficiaries given their high complexity. The beneficiaries rely to a very large extent on the technical assistance; therefore, there is a risk that the potential problems in the sustainability period are not identified early enough.

Main findings

The monitoring system is functional and able to adequately monitor projects' progress and inform the management structures and relevant stakeholders for the decisions making process. However, there is room for improving the efficiency of the projects' monitoring at the beneficiaries' and programme level.

The projects' monitoring was designed as a centralised system with a delegation of tasks to JS and the Information Points. The system ensures a consistent methodology based on risk management principles and harmonized procedures, the quality control of the monitoring process and the transfer of expertise from experienced monitors to less experienced ones who joined the team to enhance the capacity of JS.

However, the working procedures allow for duplication of tasks between the MA (PMS), JS monitors and the Information Points, representing a source of inefficiency.

Furthermore, the current monitoring processes may shadow JS monitors for the beneficiaries and diminish their role and their potential. The good relationships of JS monitors and Information Points with the beneficiaries and their presence in the eligible area, backed with adequate monitoring skills, are good premises for an enhanced role in monitoring. A reconfigured share of responsibilities and tasks gradually according to JS capacity, with a discrete control and support, would build a sustainable and efficient monitoring capacity in the eligible area.

The projects' monitoring at the beneficiaries' level could be more efficient, considering firstly to develop monitoring skills for all partners, focused on less experienced ones, more discipline and rigour in monitoring. The monitoring skills are not limited to compliance with the implementation procedures, but would also mean a refocus on results and sustainability, risks, state aid conditions, where applicable.

The support to the beneficiaries should include improvement of the management information system functionalities, some being possible only in the future, simplified procedures for projects modifications, diminishing the current excessive requirements for justifications, improved indicators system at the programme level,

T3.5. Do the anti-fraud activities carried out by the Programme management structures lead to the achievement of the objectives set out in the Anti-fraud Strategy? Which measures were most effective in managing the risk of fraud and sanctioning fraudulent activity? (Q5)

The Anti-fraud Strategy was approved in 2017 to set out the Programme management structure joint approach to managing the risk of fraud and dealing with all aspects of fraudulent activity that may occur at the Programme level and in line with articles 59 (2) and 72(h) of EC Regulation no. 1303/2013. The actors involved within Anti-fraud strategy are the Managing Authority, the Joint Secretariat, the National Authority, the First level control systems (Romania and Hungary) and the Audit Authority.

According to the adopted Anti-fraud Strategy, there are two levels of control:

- **The first level of control** where the first level controllers use during the expenditures verifications specific checklists that may detect potential fraud indicators.
- **The second level of control:** The Joint Secretariat may detect suspicions of fraud during the reimbursement claims, administrative verifications and also during the project monitoring process, including on-the-spot visits.

From the desk research, it can be concluded that the Antifraud Strategy is developed in compliance with the EU legal provisions, with all necessary measures, including legislative, regulatory and administrative measures, to protect the EU's financial interests, namely by preventing, detecting and correcting irregularities and fraud. Up to now the anti-fraud activities (first level control verifications) were implemented with the support of the TA projects, especially for the Romanian side, namely the first level control verifications were implemented with the support of 2 TA projects - ROHU131, ROHU441 and for the Hungarian side - ROHU152. Anti-fraud activities were implemented not only by the FLC but also by the JS, with the support of- TA ROHU153.

Based on the opinions of the key actors interviewed during the evaluation of the Programme phase, there were no specific fraud issues, and this can also be seen from the low number of projects (14) that had desk-based or on the spot controls due to fraud suspicions reasons. The main reasons for suspicions were mainly related to the preparation of tender procedures, and the corrective actions were reflected in the respective projects.

However, from the interviews with the MA, it was outlined that many situations derive from the interpretations of the articles 8.1 (defining the obligation to report fraud in case of finding indications of fraud) and 8.2 (regarding the reasons for the suspension of project payments) of the Romanian Government Emergency Ordinance 66/2011. These interpretations lead to risks of fraud suspicions because of the confusion between the definition of fraud indicators from Annex A and indications of fraud (there are many fraud suspicions based on fraud indicators). In contrast, the other article interpretation leads to many payments suspensions before the cases are sent to court. In this respect, the MA organized different meetings on this topic which shows that the anti-fraud measures are not fully adapted to the programme.

On the awareness activities on this topic, all events organized by the Programme for the beneficiaries, had a component that covered anti-fraud. Also, the Project Implementation Manual contains a dedicated section on the subject, and the anti-fraud measures were also addressed in the Calls for Proposals. In terms of specific training sessions for the authorities in charge, there were some training sessions organized by the Hungarian part at the central level on anti-fraud risks but as an audit requirement and in line with anti-fraud strategy. Also, there were held two dedicated events in February 2020 in Arad and Szeged, financed from TA. At the programme level, there is also the Anti-fraud Self-Assessment Tool, an instrument containing the descriptions of risks, control measures in implementation and action plan and this instrument was disseminated. Although the MA applied the dissemination procedure, HUNA shared the opinion that the Hungarian programme structures should be involved in the self-assessment process and not only in the consultation and dissemination. The MA is open to adjust the self-assessment process to satisfy this need, as well as other ideas in the benefit of the programme.

From the beneficiaries' perspective, the survey results showed that they are not very aware of the anti-fraud activities and controls carried out by the Programme management structures; only 24.62% of the respondents are aware of anti-fraud activities carried out by the programme as they were involved and 24.49% are aware of anti-fraud activities carried out in general. Although the survey reflects the opinions of a small group of beneficiaries that answered, more raising awareness activities related to anti-fraud activities and measures should be organized.

Main findings



The anti-fraud activities carried out by the programme bodies are in line with the objective established by the Anti-fraud Strategy, first-level and second level control on both sides being organized throughout the programme implementation period. More involvement of the Hungarian programme structures in the self-assessment process and more awareness activities on anti-fraud should be ensured.

T3.6. Are there specific factors that prevent the effective use of technical assistance funds? If yes, what would be the proposed amendments? (Q6)

The technical assistance is designed to fund activities that are necessary for the effective implementation and management of the Programme as well as to increase the capacity of institutions and beneficiaries in the Programme area for the cross-border actions. Also, for the effective use of the TA funds, a Multi-Annual Technical Assistance Strategy was elaborated and approved as the framework document for all TA interventions for the Programme. TA funds are expected to contribute to two specific objectives, namely:

- a) to secure the core management for the implementation of the Programme (preparation, contracting, implementation, monitoring, evaluation and control) and
- b) to implement accompanying activities to support the generation and implementation of high-quality, result-oriented cross-border projects and partnerships in a way that the TA contributes to the effective and smooth management and implementation of the Programme.

As the following table indicates, approximately 93% of the ERDF allocation for the TA Priority Axis has been contracted, while the list of projects is also presented below.

Table 29. TA allocation and contracted amounts

ERDF allocation		Contracted		
Budget (EUR)	% of the total	No. of projects	Budget (EUR)	% of ERDF allocation
11,348,320	6%	14	10,242,757.33	90.26%

Project ID	Lead Beneficiary	ERDF contracted	Date of contract approval
ROHU-193	Directorate-General for Audit of European Funds HU	€ 222,432.50	17.12.2018
ROHU-153	BRECO - JS	€ 1,227,309.88	18.08.2017
ROHU-131	BRECO – FLC	€ 374,038.50	21.08.2017
ROHU-257	MPWDA	€ 323,372.76	04.12.2017
ROHU-272	MPWDA	€ 95,393.76	12.03.2018
ROHU-195	Széchenyi Programme Office - IP	€ 238,721.33	25.10.2017
ROHU-447	Széchenyi Programme Office - IP	€ 489,324.09	09.10.2019
ROHU-155	HUNA	€ 243,000.00	31.05.2019
ROHU-152	FLC - HU	€ 1,720,422.50	19.04.2019
ROHU-440	Romanian Court of Accounts - Audit Authority	€ 110,000.00	20.07.2018
ROHU-438	MPWDA	€ 1,471,477.53	16.11.2018
ROHU-441	BRECO – FLC	€ 1,080,913.98	25.03.2019
ROHU-442	BRECO – JS	€ 1,793,564.50	25.03.2019
7/7-AT/12.07.2017	MDRAPFE, Support for the Interreg V-A Romania-Hungary Programme in the view of the implementation of the next programming period	€ 852,786.00	
TOTAL		€ 10,242,757.33	

From the distribution of the TA amounts contracted by the 8 Programme structures as agreed by the members of the Monitoring Committee, the highest rate goes to the JS within BRECO (29%), followed by the MA (27%), while the cumulated FLC for both countries covers 31%.

Table 31. The TA allocation by programme structure, TA funds contracted (Eur) and % of TA contracted in total TA funds.

TA1 – Managing Authority with certification function (MA- within MRDPA)	TA2 – Joint Secretariat (JS- within BRECOradea)	TA3 – Information Points (IP- Széchenyi Programme Office (AA- Consulting Service Limited Liability Company)	TA4 – Audit Authority and the Romanian Court (AA- NonprofitAccounts)	TA5 – Audit Body within Directorate General of Audit (AB- within European Funds)	TA6 – National Authority for (HUNA- Minister's Office Hungary)	TA7 – First Level Unit Romania (FLCU within BRECOradea)	TA8 – First Level Control Unit from Hungary (FLCU HU- Széchenyi Programme Office Consulting and Service Nonprofit Limited Liability Company)
2,743,030.05	3,020,874.38	728,045.42	110,000.00	222,432.50	243,000.00	1,454,952.48	1,720,422.50
26.78%	29.49%	7.11%	1.07%	2.17%	2.37%	14.21%	16.80%

As it can be seen from the table above, the TA assistance covered actions that enhanced the capacity of each programme structure involved in the management of the Programme that also included actions aimed at enhancing the capacity of the beneficiaries to apply and use the programme funds. The TA funds were used to a large extent to cover the costs of the JS, the IP and FLC. Tasks related to the Audit Authority and National Authority were also covered but in a smaller percentage.

Concerning the achievement of indicators, the Programme has already exceeded, until the evaluation cut-off date, the target value for two indicators, namely TA1 number of events for information and promotion and TA2 no. of calls for proposals launched. For the rest, the target value remains to be achieved by 2023.

Table 32. Indicators achievement for the TA Priority Axis

PA TA output indicators	Target Value 2023	estimated fr 2019 value as per the application form	Target reached until 29.02.2020
TA1 Number of events for information and promotion of the programme	NA	36	27
TA2 Number of calls for proposals launched	NA	10	7
TA3 Number of MC meetings	NA	10	7
TA4 Number of projects implemented and closed	NA	147	16
TA5 Number of employees FTEs (full-time equivalents) whose salaries are co-financed by TA was an estimation by TA beneficiaries. The value was cumulated on renewed TA contracts in 2019 for JS and FLC (RO); therefore the forecasted value for 2019 exceeds the actual number of staff in 2019, is lower, 81.42 FTE	NA	167	81.42
Total		370	138.42

From the interviews held, the Programme bodies consider that TA funds contributed very well to the programme implementation and that there is a satisfactory level on the side of the provision of TA reached for each beneficiary of TA on both borders. The start was slow, with a delayed conclusion of the TA contracts of HUNA and HUFLC due to some difficulties in complying with both the Romanian and the Hungarian legislation. There were no specific factors identified that would prevent the effective use of the TA funds.

Also, from the focus groups and interviews with the beneficiaries, it was confirmed that also the beneficiaries were satisfied with the assistance received.

Main findings

The TA Assistance played an essential role in contributing to the programme's objectives. Except for the delay of the conclusion of the contracts with HUNA and HUFLC, IP, which resulted in a gap in financing. There were no significant problems encountered in the implementation of this PA. The beneficiaries were satisfied with the assistance received.

Resources have also been allocated for the preparation of the next programming period; a decision being signed in this respect.

T3.7. Is there a balance regarding the involvement of stakeholders in the implementation of the Cooperation Programme, including regarding their participation in the Monitoring Committee, in line with the application of the partnership principle? (Q7)

The Monitoring Committee for Interreg V-A Romania Hungary Programme was set up in line with the Regulation (EU) No 1303/2013. The composition of the MC should include (Articles 47 and 5) competent urban and other public authorities; economic and social partners; and relevant bodies representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non-discrimination. ROHU Programme MC has 25 voting members and 30 observers¹⁷ covering the range of stakeholders specified in the regulations. The voting members of the MC include:

- the MA, HUNA, Szèchenyi Programme Office Consulting and Service Nonprofit Limited Liability Company (referred to in this report as programme bodies)
- central government authorities and institutions including:
 - o on the Romanian side: MPWDA, Ministry of Transport, Ministry of Environment, Ministry of Waters and Forests¹⁸, Ministry of Internal Affairs and Ministry of Foreign Affairs,
 - o on the Hungarian side: Ministry of Foreign Affairs and Trade, Ministry of Innovation and Technology, Ministry of Finance, Ministry of Agriculture, Ministry of Interior, Prime Minister's Office.
- Regional Development Agencies West and North-West
- the eight county-councils from the eligible area.

The analysis of the structure and relevance to the range of stakeholders in the eligible area is based on data included in Annex 2.8 Stakeholders analysis and concisely presented in the narrative part of the report.

1) *Compliance with the provisions of the regulations-* The analysis confirms the structure of the MC is in line with the provisions of the regulations, i.e. the categories of stakeholders indicated in Article 5 and 47 and listed in the table below. However, the data shows a dominance of the central government stakeholders both in the voting members group and observers. Overall, the central bodies (authorities and other institutions) represent the majority of members, 15 out of the total 25 only, thus ten being from the eligible area, i.e. the county councils and the regional development agencies.

Table 33. Composition and structure of the Monitoring Committee

Type of MC members *	number of voting members	
	**	number of observers **
CGOV-central government	12	15
LPA-local public administration	8	3
ESP -economic and social partners		2
SOC INCL-social inclusion related partners		2
ENV-environment related partners		2
CS-civil society organisations		2
PB-programme bodies	3	5
DA-development agencies	2	1
<i>* categories according to Regulations 1303 - adapted</i>		
<i>**some members are counted for double roles; therefore, the total is exceeding the number of members</i>		

Source MA – MC structure 13.09.2019

2) *Sectoral relevance* – The analysis of the sectoral relevance can also be visualized in Annex 2.8. The voting members cover the relevant sectors for the Ips of the programme partially. Health, labour market, education and research, (on the Romanian side) culture are not represented by central or local relevant stakeholders.

The observers in the MC have a similar share, for example, in Romania, only 3 out of the 15 observers are stakeholders from the eligible area, while in Hungary 6 out of the 14 observers.

3) *Categories of eligible beneficiaries* - The analysis of the categories of eligible beneficiaries identified in the Guide for Applicants, is detailed in Annex 2.8 and aimed at assessing the involvement or indirect representation in the

¹⁷ Composition at 13.09.2019 according to data provided by MA

¹⁸ The former Ministry of Environment and Ministry of Waters and Forests merged into the Ministry of Environment Waters and Forests.

MC. The eight-county councils are voting members in the MC and have the strongest representativity among the potential beneficiaries. Other categories of beneficiaries are represented in the MC by the relevant line ministries or local bodies such as the Chamber of Commerce and Industry, NGOs. Public services providers (such as ambulance, fire services, police, and emergency response services) are represented by the county councils and by the relevant ministries. However, in most of the cases, the national and local administrations in the respective sectors, the county and the local councils are the owners of the infrastructure in the eligible area; therefore, they are relevant for investments in infrastructure but less relevant for the sector-specific services and operations.

- 4) *Rules of procedure* - The MC met regularly, 7 Monitoring Committee meetings were held, and 110 Decisions were issued using the written procedure extensively, to cover critical aspects of Programme implementation from approval of different strategies, such as Annual Communication Plan, TA Strategy, Anti-Fraud Strategy to conditions for launching different calls for proposals, criteria for selection of normal or strategic projects, approval of the results of the different steps of the evaluation process, administrative and eligibility check or under the assessment procedure to the reallocation of funds or Programme modification.

The MC meetings minutes available as well as the interviews and the study of documents regarding the decisions made offered to the evaluation team a view on the way the partners work together to ensure the programme is adequately managed.

There is a general view that intense work and debate characterized the meetings of the MC and the predecessor structures activated in the programming period. The minutes of the MC meetings revealed a significant difference between the first meetings (e.g. in 2016) and the more recent ones (e.g. 2018). Long circular discussions, returns to issues claimed to be already agreed, postponing decisions revealed a lack of trust and mismatch of working styles at the beginning, which turned later into more constructive, collegial and efficient discussions. The MA confirmed that in the last three years, all decisions of the MC were made unanimously.

The interviews and the focus group confirmed that the start of the cooperation was difficult, with a lot of effort to reach agreement from different inflexible positions. Communication and cooperation improved in time, and all interviews shared this opinion with satisfaction. The main causes indicated by the stakeholders interviewed were: *inflexible positions and little openness for discussion and dialogue, insufficient transparency regarding the way solutions were identified and transposed into measures*. Reflections such as “we did not know, and we were surprised that the decision was implemented in this way”, were collected in the interviews. Opinions were expressed that not all the partners' voices “are heard”. The limited number of minutes consulted revealed a significant number of voting members are delegating the votes to the MA, NA or county councils. Therefore, they have not only the largest contributions in the debates but also in voting.

Main findings

The MC is working efficiently, combining MC meetings with written procedures decision making, providing an example of learning as well to cooperate, to build trust for a common interest. Acknowledging that the number of voting members is limited, the range of observers would theoretically ensure good coverage of the diverse interests in the eligible area. The current structure has a low share of partners from the eligible area. It does not cover key sectors relevant for the programme such as education, cultural and cults, labour market and social services. The programme does not use thematic committees or working groups that may facilitate participation and informed decisions by collecting and bringing in the MC debates relevant sector-specific data, ideas and solutions. Nevertheless, this need was acknowledged by the programme management structures, and JS provided professional presentations in the MC meetings.

T3.8. Which are the major difficulties that beneficiaries face? What measures can be taken to overcome them? Is there sufficient support given to the beneficiaries to implement their projects? (Q9)

Do the actions taken to reduce the administrative burden on the beneficiary's work? What can be improved? (Q10)

The evaluator is aware that some repetition might appear in this section of the report because difficulties concerning the progress and achievement of the objectives, participation in the tenders, or implementation, use of eMS. have already been mentioned on previous themes and questions. To maintain the utility of this answer, the evidence collected is summarized, and some more general considerations are added.

The general view of the beneficiaries is that the implementation system is functional, the MA, HUNA and JS are aware of the problems encountered by the beneficiaries, and there were measures taken by the Programme management structures to improve the mechanism to resolve and prevent the blockages and inefficiencies. Nevertheless, the significant differences of the national legislations, the Romanian public administration model, focused on procedures, does not allow fast, overnight changes to reduce bureaucracy, avoid blockages and speed up processes. Therefore, the slow progress perceived by the stakeholders should not diminish the recognition of the goodwill and the efforts of the MA and JS.

The implementation difficulties were present and have roots in both countries. However, those related to the MA and JS appear more prominent due to their role and responsibilities. Examples are provided in different sections of the report. Moreover, joint decisions led to the known challenges and later on, to the delays, such as the State Aid incidence interventions, the MC decision to approve all flagships at the same time, assuming the delay for those already evaluated.

Therefore, the evaluator view is that the good cooperation between the Romanian and the Hungarian programme structures is essential, and equally important as the individual capacities, which anyway should be subject of continuous improvement.

The interviews revealed that the opinion of the beneficiaries comes from comparing to other experiences. Thus, as already mentioned, some Romanian beneficiaries mentioned that ROHU is less bureaucratic than national programmes and some even accept and welcome the level of control as a guarantee that errors will not be later found by audit missions.

From the case studies, the most recurrent difficulties that the beneficiaries face are related to:

- Administrative burden/bureaucracy of the programme (many reporting requirements, long processes of approval, new instructions regarding reporting terms and conditions)
 - Communication problems due to the use of the English language as an official language in the project
- There are also difficulties related to the external environment such as:
- Differences between Romanian and Hungarian legislation in terms of investment work, different procurement procedures in the two countries
 - Public procurement

On the other side, the positive factors that helped the process of implementation were mainly those related to:

- Experience gained in the previous programming period
- Good communication between the partners,
- Professional project team and a proper planning and monitoring process
- Professional and efficient support of the Joint Secretariat, good cooperation with JS who reportedly reacted correctly and on time

There is evidence of simplifications adopted over the implementation period. Simplification measures were taken in 2018, as also presented in the AIR 2018, that aimed at speeding up and optimizing the programme as well as reducing the administrative burden on the beneficiaries. Among the most important measures with effect on reducing the administrative burden we can mention:

- **In terms of measures of accessing financing:** the possibility to submit certain documents in the national languages to support the application form; simplification of the assessment and selection procedure
- **In terms of contracting:** simplification of the contracting procedure, less supporting documents to be translated in English by the beneficiaries including the support of the Programme to cover the translation through external services procured from the TA assistance
- **In terms of the implementation process:** ongoing support granted to beneficiaries during project implementation period by different measures such as site visits, training or direct assistance; opportunities to discuss the possible problems and to clarify the procedures, the use of simplified cost options, shortening the period to process the requests for payments from 45 days to 30 days; increasing flexibility for submission of the project report for CN phase.

The findings collected during the interviews with Programme management structures as well as from the documentary research suggest that these measures represent a significant step forward in the simplification process which is ongoing, including the eMS additional modules (naturally evolving with the progress of technology), the help desk organized as well as seminars to support the beneficiaries. The introduction of the flat rate was also a good measure to reduce the workload.

For each of the progressing steps mentioned above, the stakeholders added improvements needed or further development. These opinions detailed below should be seen as a contribution to a continuous improvement process and not as destructive criticism.

Analysing the data collected within the survey, although limited in terms of the number of answers received, we can retain the opinion of the beneficiaries that still perceive the implementation system as being excessively bureaucratic (the major part of the respondents (58.46%) perceive the administrative burden as being very high (27.69%) and high (30.77%), but better than other programmes (implemented in Romania). The opinions vary due to different experiences the beneficiaries have with other programmes.

However, the following specific remarks could be useful.

- *Faster procedures to amend the contracts and more flexibility in accepting changes* - the notifications by definition appear simple and easy, but in practice, they are subject to approval. Treating the notifications and the addenda more as a change in the benefit of the project and programme may simplify and reduce the expectations of the Programme management structures in terms of justification.
- *Fewer documents for reporting during the project implementation*
- *Better indicators settings per PA & correlation between indicators and activities to be performed.*
- *The need to digitalize the processes and the documents*, already anticipated by the MA (PMS) who initiated the introduction of the digital signature in the procedure.
- *Consistent interpretation of the requirements and procedures across the system* would also avoid the delays, generated by the waiting time to receive the MA opinion

Also, the beneficiaries highlighted the need for simplification of the public procedures, which is not up to the Programme but could be considered at another level.

The case studies also outlined the administrative burden and rigidity (the long signatory process for documents approval, new instructions on reporting, changes in the requirements from the Project implementation Manuals etc.) especially compared to the previous programming period when it was perceived as being more flexible.

The focus groups organized, also confirm these findings (e.g. introduction of the notification was perceived as a simplification to reduce the bureaucracy of the addenda, but further improvements can be done to speed up the process, visibility requirements are also perceived as burdens despite JS support, justifications for administrative costs, the need for documents translations etc.).

From the interviews and field visits carried out by the project team, the relation of the beneficiaries with JS appears to be highly appreciated in most of the cases. This was evoked in several interviews referring to the monitors and IP staff as persons that are ready, willing and able to help. During the field visits, good and close cooperation could be observed between JS monitors and the beneficiaries. Presence of the MA in the eligible area is also mentioned by the beneficiaries. However, in some cases, excessive micromanagement was mentioned, too formalised, (e.g. referring to weekly reports on progress until January 2020 when they became monthly). The quick reaction of JS to the beneficiaries complaints, not asking the respective reports anymore, was also appreciated. The beneficiaries prefer a “just-in-time”, “on-demand” assistance from JS. The discussions with the monitors and other staff of JS revealed flexibility in resolving the problems of the beneficiaries.

Main findings

Even though a series of simplification measures was already introduced and the simplification process is ongoing, improvements can be still brought to the different programme cycle stages (evaluation, monitoring, reporting etc. (fewer documents required for the evaluation phase, fewer documents requested for the contracting stage, translation requirements elimination, public procurement simplification etc.).

T3.9. Is the use of simplified cost options effective? What can be improved? (Q11)

The programme implemented the Simplified Cost Options, consisting of a flat rate, applied for Office and administration costs. The maximum flat rate for office and administration cost is 15% of the total eligible Staff costs. By applying the flat rate option on direct staff costs, the beneficiary does not need to document that the expenditure has been incurred and paid for office and administrative expenditure.

According to the findings of the interviews and focus groups, the beneficiaries considered the flat rate as a significant simplification. This has a positive impact on the efficiency of the beneficiaries' project management activities but also JS. Still, as outlined by the Programme management structures, the current option of flat-rate represents a benefit but not for everyone as one-third of the beneficiaries have no costs with salaries and administrative costs. As an example, many beneficiaries – public authorities – do not use the administrative and office costs and prefer to cover from their institutional budgets these costs, so that more money is used for the investments. For NGOs involved in small projects, 15% appears to be insufficient for their needs.

From the survey carried out the opinion of the beneficiaries related to the flat rate is that it is easy to apply and contributes to reducing the workload (33.87%), and that it represents a significant improvement compared to real costs incurred methods (32.79%).

There were many opinions expressed during the interviews and focus groups as well as at the level of the survey that outlined the need to introduce flat rate for staff costs as well, that would be much easier to implement.

The EC representatives also consider that extension of the simplified cost options is seen as a solution for improving efficiency in the whole ESIF system as well as ROHU implementation processes. However, the process is revolutionary, and in addition to the challenges related to the specific programme technicalities, it requires a high level of trust in institutions and the judicial system.

Main findings

Simplified Cost Options are perceived as being very useful both by the programme managing structures and by the beneficiaries. Currently, the programme has only one simplified cost option available, for Office and administration costs. It is useful, however, limited to specific projects, as for large infrastructure ones it is less significant than for smaller projects.

For the next programming period, an extension of the use of simplified costs options to cover staff costs or other costs, (such as travel costs, preparation costs could be part of the broader process in the whole ESIF system.

T3.10. Is the Electronic Monitoring System functional and efficient in collecting and quantifying target values? (Q15)

The MA decided to use for the programme monitoring the **electronic system eMS** provided by Interact¹⁹ a free of charge monitoring system offered to all interested programmes, based on a license agreement. According to the Interact website, 37 programmes had signed license agreements in 2017 to test and use the system. Romania is using eMS for 4 out of 6 of the territorial cooperation programmes managed. Interact is open to receive requests for bug fixing and improvements of existing functions. However, further developments are possible, but in the frame of Interact plans for continuing improving eMS over the entire programming period.

In general lines, the system supports the collection of all information on submitted and approved projects, their implementation and achievements, modifications and closure. Additionally, aggregated data on the progress of projects and the programme level are recorded in the system. All programme bodies can communicate with beneficiaries via the system and re-use the data already collected. The eMS is built to support Programme management structures in day-to-day programme management and should fulfil all legal requirements. (eMS presentation, from Manual based on eMS, published by INTERACT, the owner of the application.)

The system administration is ensured by a specialized structure of the Directorate-General for European Territorial Cooperation in MPWDA, Statements for Expenditures and eMS Office, (to which we will refer further on as eMS unit). At the same time, support for users is provided by JS by manuals in updated versions (published on the website) training organized in the eligible area, coaching provided by JS staff and Information Points upon request, help desk. The system, launched in 2015, was new for all users. Therefore, it was a learning process enrolling first the users from the programme management structures and then the users from the beneficiaries. The interviews revealed that the users learned by themselves following the manual but also appreciated the coaching or the training available.

To use eMS efficiently and to make it as easy as possible for potential beneficiaries and beneficiaries, a user manual has been made available. The manual published by Interact Programme contains all the necessary information and indications related to all stages of projects, application, assessment, contracting, implementation, modifications, payments, etc., but also instructions related to technical requirements, installation of eMS, registration, users, etc. . Also, programme developed and made available to beneficiaries a reporting manual specific for Interreg V-A Romania-Hungary programme. Information on major changes is provided for the eMS users, an updated version for beneficiaries with projects in implementation, including a section on reporting in the eMS manual. The eMS relevant documents are available on the eMS page of the programme www.ems-rohu.mdrap.ro and on the Programme website <https://interreg-rohu.eu/en/ems-documents/> together with additional training materials and instructions.

The general opinion of the beneficiaries regarding the eMS functionality, captured in the interviews and focus groups, is a positive one. There were shared opinions that the system is user friendly, easy to work with for any person with reasonable digital skills; errors do not occur, it is possible to work from any computer with internet connection, the data from the system is consistent with the accounting data. The positive opinion is in some cases due to comparison to applications less developed used in the past, e.g. applications limited to some phases of the project lifecycle. For example, a positive factor was the reporting module which reduces the effort of the project managers as compared to the paper-based reporting.

The satisfaction with eMS functionality reflected by the survey answers is high for 66,67% of the respondents and moderately high for 16,09% of the respondents. 11,49% of the respondents are not satisfied with the functionality of eMS. Although the share of dissatisfied users appears small in comparison with the satisfied ones, their opinion,

¹⁹ Interact is one of the Interreg programmes, financed under the European Territorial Cooperation goal of the European Structural and Investment Funds, providing support to the Interreg community as well as IPA and ENPI CBC programmes (EU external borders). Among other results, Interact created specific harmonised tools (such as HIT, eMS, KEEP, European Cooperation Day, Interreg branding) and innovative ways of cooperation such as macro-regional strategies. (<http://www.interact-eu.net/#about>)

detailed in comments and complemented with the interviews examples should be considered for learning about how the system could be improved to serve better the needs of the users.

The shortcomings of eMS mentioned by the beneficiaries refer mainly to the aggregation of data, the potential error of the budget aggregation data from the work packages, automatic reporting at the project level using the data and documents already uploaded by the project partners. At present, some duplication of data entry is time-consuming but also a source of potential errors. According to MA (eMS office) many parts of the consolidated report are already automatically aggregated from the corresponding partner reports, except for the narrative sections from the project reports

The evaluation team understanding is that the users are more and more interested in functions that increase the efficiency of their work, including aggregation of data, correlations between different elements, viewing of the data entered at a specific stage, changes operated, viewing of the physical progress in addition to the financial one, which is functional.

The system is, as mentioned by Interact, subject of improvements, including fixing bugs. Not all the requests formulated by the beneficiaries and further transferred by JS to the eMS specialists in the MPWDA could be resolved at Programme level. Some were transmitted to Interact and will be considered only for new versions of the system. A positive factor is that for those that could not be fixed, JS drew attention to the beneficiaries on any potential errors and how to detect and avoid them.

The eMS office from MPWDA confirmed the interest to find solutions to the needs and requests of the users. In some cases, a principle behind the functionality does not allow the system to perform as expected. This is the case for the 100% automatic consolidation of the partners' reports into the Project Report. The explanation is that eMS is developed to respect the Lead Partner principle according to the EU regulations and cannot generate the consolidated report 100%. For some narrative parts of the consolidated project report reflecting overall info at project level, the Lead Partner has to check information received from each partner, to filter it accordingly, to fill in the consolidated information from all PP and to submit the consolidated project report, bearing all the responsibility of the project information submitted.

The evaluators' view is that the subject should be further explored, with the possible improvements in a future application, so that the beneficiaries' expectations are met, or managed in a constructive manner to understand the limitations or potential human errors linked to the problem. For example, the eMS office and JS assist beneficiaries to avoid duplication of uploads, which is rather due to human error than system requirements.

At programme monitoring level eMS offers a range of reports. Also, the eMS office indicated that there are requests from JS and MA regarding specific customised reports. The JS and the MA users have access to a list of reports with centralized data at project and programme level, from which they can extract various types of reports.

System improvement requirements were collected from users, and all were sent to INTERACT for analysis and were implemented if considered useful for the entire community of eMS user programmes. Relevant examples are an automatic calculation of the reporting contribution, the procurement section, the improvement of the reports for AIR, the project termination function, the download of the report documents in a single archive, etc. Also, errors were transmitted to INTERACT, which were corrected through system updates. The interventions of the MPWDA eMS office on the system were limited only to the configuration of servers/system/fields/labels or to modifications of pdf templates, including the correction of errors in the database.

There are some useful aspects for beneficiaries and authorities that can be added to the future system, such as user management from the Application Form and reporting level, the link between invoices and procurement contract, the possibility to use checklists at each FLC / JS / MA / Certifying Unit data processing level, data export function in Excel, AIR report generation function and automatic data export in keep, data introduced only once by the beneficiary and processed at the level of each programme authority, automatic notification functions of the users, etc.

The evaluation team explored the eMS application of the ROHU Programme, testing the functionalities available for a monitor role, confirming accessibility of data at project and programme level in different phases of the project life cycle.

eMS has the required functionalities to collect and report data regarding the financial progress as well as aggregated progress on programme outputs achievements. The accuracy of the data reported depends on the timing and accuracy of the data inputs for each project, based on the quarterly progress reports. The interviews with the beneficiaries and the JS representatives revealed that the financial forecasts might have a lower degree of accuracy, due to the large number and the complexity of the factors influencing the cash flow over the entire implementation period.

Main findings

The eMS is functional and able to ensure data collection and reporting of the progress on achievements of the programme financial and output indicators targets. The accuracy of the data reported depends on the timing and accuracy of data entry at the project level. The beneficiaries identified few shortcomings that limit the efficient use of the system. They are interested in the aggregation of data, avoidance of double entries, links between different parts of the system or tools, track changes in the documents, visualization of synthetic data. Part of the problems identified was already resolved, while other others are subject to further developments of the system.

All the difficulties encountered should be made available to all users on Frequently asked questions or problems encountered on an online platform or a similar tool. Solutions or responses offered by JS and eMS office should be included. Because there is a wide experience of all the stakeholders in using electronic systems for data management and communication, for the next programming period the consultation of the stakeholders would be useful to ensure the needs of the users are known, and ownership on the solution is adopted.

3.4 Theme 4 - Projects sustainability

T3.11. What are the main factors affecting the sustainability of the project, and how should they be addressed? (additional question)

The analysis of the flagship projects and the normal ones, subject of the case studies presented in Annex 2.5, indicates several sustainability issues, detailed in the case studies. In some cases as for PA4 and PA6, the issue is the uncertain capacity to manage the operations in a difficult environment, such as vocational training on the Romanian side, tourism, or the need for the approval of the treatment protocols to allow harmonisation and transfer of practices between the partners from the health system across the border. For PA6 (11b projects), sustainability is dependent on the funding available to continue the activities in the future.

In PA1, external factors such as weather and economic negatives can reduce the number of visitors and now it is clear that even the COVID 19 context has a side effect, especially on the tourism sector. In PA5 beneficiaries see the risks related to the legal framework in the sector, such as updating of the strategic documents or the economic context that might also affect the project activities.

All the projects studied planned measures to ensure that the results are achieved and sustainable beyond the project implementation period. Possible other side effects could appear in the context of the current COVID-19 problems as evidenced under Section T2.1 and could lead to delays in the project implementation because of the restriction measures.

The survey carried out at the level of beneficiaries, although with limited coverage, also highlighted a number of factors affecting sustainability, some of them being also confirmed in the focus group.

The table below presents a ranking of these factors, according to the beneficiaries' answers in the survey:

Factors affecting the capacity	Ranking of the factors
The professionalism of staff continuing to work with the project outcomes/results	55.00%
Maintenance of the investment equipment	45.00%
Institutional capacity of the beneficiary	43.33%
Institutional capacity of the project partners	40.00%
Cooperation among project partners	40.00%
External factors like legal framework in the project sector, economic context, etc.	31.67%
Quality of project management	29.51%
Applying for other financing sources	20.00%
Attracting other relevant stakeholders in the investment	14.04%

Thus, in the opinion of the beneficiaries, the main factors with the highest influence at the project level are the institutional capacity of the beneficiaries, including their capacity to maintain the investment (where applicable), followed by the quality of project administration and cooperation among partners.

The financial sustainability is ensured by public funds for services related to investments in public infrastructure such as health, risk and emergency response, education. Risks are related to the continuation of cooperation if there is not a systematic approach or a transfer of practices as in the public system, there are procedural constraints in adopting models or protocols as regards health services. For new investments such as those in cultural heritage (6c) or training (8b) the market conditions, possibly limited by the state aid conditions, might affect the sustainability of the operations. Anyway, the market (for both IPs mentioned, and not only) is severely affected by the COVID crisis. Therefore, reassessment of the feasibility of the investments would be necessary. The sustainability of the projects funded under 11b depends to a large extent on future opportunities for funding for "people to people" projects and on the capacity to adapt and integrate new developments or service models in case of institutional cooperation.

The interviews with the project teams proved there is little concern for results and sustainability at this stage, the focus being on the activities and outputs. In some cases, the link with the programme results is not understood but just

accepted because it was required in the application form. In contrast, in other cases, the sustainability solution is not clear.

Main finding

The project sustainability is relying firstly on the capacity and experience of the beneficiaries to carry out such projects and to foresee the right measures from the project design stage. The primary concern of the beneficiaries is project selection and implementation. Therefore, the solutions found for ensuring the sustainability of operations are not clear or not realistic in some cases.

There are external factors that might influence project sustainability such as the evolution of the economic context, the legal framework or situations such as the recent COVID 19 pandemic with important impacts on some sectors, such as tourism or labour market. In this respect, it is important for the Managing Authority to monitor the project sustainability risks at the level of project monitoring to ensure that measures to support the beneficiaries are taken in due time.

3.5 Theme 5 – Horizontal Principles implementation

1. How do the funded projects contribute to the application of the principle of equal opportunities and the principle of non-discrimination, in particular concerning equality between men and women? (Q22)

2. Are the principles of equal opportunities and non-discrimination addressed adequately and clearly in the Guide for Applicants and in the monitoring procedures? (Q8)

Desk research analysis revealed that the guides for applicants (especially from the second call) provide enough indications for the applicants to include in the project application details on the principles of transparency, equal treatment, non-discrimination, national integrity and sustainable development (e.g. profiles of persons, examples of actions for involving discriminating groups, impact on vulnerable groups, ensuring equal access provision, the inclusion of gender mainstreaming provisions etc.)

Certain PAs are expected to have special contributions to the horizontal principles (the projects financed under these PAs being expected to contribute more) as reflected in the table below (the horizontal principles compliance being assessed during the project assessment stage:)

Horizontal principles	PA1	PA2	PA3	PA4	PA5	PA6
Sustainable development						
Equal opportunities						
Equality between men and women						

The interviews with the Programme management structures also revealed that horizontal principles are comprehensively described in the applicant's guides, but that more compliance would be needed with the requirements at the level of how they are presented by the beneficiaries in the application forms.

Also, the beneficiaries' survey, although limited in terms of the number of responses, showed that the horizontal principles are perceived as clear and helpful to be translated into effective measures to a moderate extent (58.46% of the answers). In comparison, only 30.77% perceive them to a large extent.

From the case studies, the feedback from the beneficiaries is that they are all complying with the horizontal principles, the following table showing different examples extracted from the case studies of measures foreseen by the beneficiaries at the level of each PA

	Sustainable Development	Equal opportunities	Equality between men and women
PA1	Consideration of life cycle costs of the purchased equipment Increased used of sustainable procurement Use of environmentally friendly solutions		
PA2	Environmentally friendly transport infrastructure with fewer emissions and by acquiring and promoting the use of less-polluting means of transport Use of environmentally friendly solutions		

	Purchasing of equipment with consideration of life cycle costs		
PA3	Using environmental-friendly technologies, cost efficiency, communication using electronic means, training materials in electronic versions, the endowment of the training centres with timed water taps to avoid water usage	Open participation in opening and closing events Website accessible to everyone Equal access during procurement procedures Selection of target groups from disadvantage area to training sessions	Inclusion of women in the training groups and special measures are foreseen for those with small children
PA4		Unbiased involvement of all interested persons in receiving quality health treatment, to prevent all forms of discrimination Equal opportunities and access to medical treatment	Equal treatment between men and women for treatment procedures
PA5	Conservation of the natural environment Sustainability principles regarding the proposed materials when carrying out investments	Applying the principles when forming the team	Applying the principles when forming the team Due to the specificity of some activities for men, they enlarged the target group
PA6		Selection of the staff and the target group to events with no discrimination	Equality when selecting the project team, target group for events etc

The examples from the case studies show that the beneficiaries did not report problems in complying with the horizontal principles, the table above also evidencing the foreseen contribution of the different PA projects to the achievement of the horizontal principles.

Regarding the principles of equal opportunities and non-discrimination as well as equality between men and women, the different types of projects addressed them differently: the ones from PA1, PA2 or PA3 trying to address them at the level of the project implementation teams or target groups. In contrast, the other PAs could address better these principles through the activities envisaged, such as a selection of target groups with no discrimination or foreseeing different measures for disadvantaged groups.

Main findings

The Programme is committed to combating discrimination, promoting gender equality and promoting the integration of disabled people in society. Through the requirements of the guide, the projects must apply the gender mainstreaming and promote the fundamental rights, non-discrimination and equal opportunities in their activities. They should also promote equal opportunities for all to tackle the barriers faced by minorities, the disabled and other vulnerable groups. For the next programming period, the guidelines should also introduce some concrete examples of activities complying with the horizontal principles to smooth the clear understanding and concrete application by the beneficiaries.

3.6 Theme 6 – Evaluability of the impact

1. What are the appropriate methods for the programme impact assessment, the data required, and their availability and accessibility? (Q26)

The scope of this assessment is to answer the specific request of the ToR regarding the evaluability of the impact of the programme, transposed in three evaluation questions proposed in the programme evaluation plan.

- What is the progress in achieving the specific objectives of the programme (each specific objective)?
- What is the contribution actual against expected of the interventions funded by the programme to this progress?
- What are the factors facilitating this contribution?

An additional factor considered in assessing the appropriateness of the methods is the timing of the evaluation, estimated to start in October 2021.

The analysis was developed on two evaluation models described in the literature review and is structured on four (4) elements: (1) The intervention logic analysis; (2) Adequacy of counterfactual quantitative methods; (3) The data availability; (4) Institutional context, Practicality and Utility.

1. The intervention logic analysis

Firstly, the evaluator highlights that this assessment is not a criticism of the selection of the indicators. We are aware that a lot of effort was put and the task is difficult for all programmes. What we look for is the learning opportunity to see how the indicators system works based on the information collected during implementation. Beyond the learning scope, the assessment should be used to strengthen the system to ensure the required conditions for evaluability.

The “results chain” model for the impact evaluation has to shift the focus from the beginning of the scheme (activities and outputs as in the case of this evaluation) to the “end” of the logic, i.e. results and impacts in terms of long term, wider effects. The eight chains of results are attached in Annex 2.9 and further succinctly analysed.

There are also suggested improvements and variables, suggested indicators for the impact assessment. They have to be relevant to the needs, the expected change planned – outlined for each intervention below the results’ chain. Based on the fact that the task is not only complicated because of the eight results’ chains, but it is even more complex because of the changing environment, the evaluation team will only suggest the appropriate variables, without assuming that they are the only option.

Because of the limited space available in this report, the detailed analysis of each intervention logic is attached in Annex 2.9. Therefore, we include here only the conclusions on the strength of the intervention logic adequacy for an impact assessment.

All eight interventions have a good cause-effect relation to allowing an impact evaluation, but the strength should be improved. The main problem is that the programme output and result indicators do not capture accurately and completely the range of outputs or specific effects. In such a situation, the impact assessment will have limitations, and the evaluator will not be able to measure and assess the real change produced.

For the scope of the impact assessment, not necessarily to be included in the programme document, the following would be necessary:

- To identify and make available to evaluators the range of output indicators that may best reflect the actions effectively implemented (as inputs to the results and impacts). These indicators are usually the specific indicators at the project level, which are not aggregated because of their diversity. These indicators are collected at the project level and should be easily accessible for the impact assessment to be processed.
- To resolve the problems already identified at the output and result level, detailed in the Indicators Assessment (2018) addressing the following key issues (details of the problems identified are presented already in Table 8)
 - o Accurate measurement using the surveys for IP 9a, 5b and 11b. (the instrument and the methodology are at risk of bias, and the measurements are not reliable). Because the contribution of the programme depends on the baseline, we suggest two options: (1) to improve the methodology to reduce the bias, to assess the validity of the instrument to understand the extent of the bias and give the appropriate interpretation. (2) to revise the survey, adding to the current questions others to also enable the measurement of the contribution and ensure a professional sampling. The second option would allow considering the baseline 0 and the target equal to the contribution measured.
- Adopt additional indicators considering the recommendations of the Indicators Assessment (2018) and those proposed in Annex 2.10.
- In the programme document, the essential changes are related to the output indicators, for those that have already been identified as having not reliable targets set.
- For the result indicators, it is not essential because anyway the contribution of the programme will be assessed, when proper justification may be provided.
- The impact of COVID-19 might impose changes in the programme (potential changes suggested in Annex 2.10). The assessment of the impact of COVID on the programme interventions, including objectives, targets and indicators would be possible only after 2 – 3 months when the situation will be better known and controlled. Flexibility will be the key approach.

2. Adequacy of counterfactual quantitative methods

Analysis of the types of interventions, answering to the question: “Are counterfactual quantitative /qualitative methods applicable, if yes, which ones?”

The evaluation team applied a simplified model with three criteria, as shown in table 34.

Table 34. Assessment of the counterfactual quantitative methods suitability

No	Assessment criteria	Fulfilled Yes / NO	Assessment
1	Homogeneity of the interventions, sizes of funding	No	High heterogeneity, low number of projects or low level of funding

2	Sizes of and homogeneity of the treated group	No	Large sizes of population beneficiaries, not accurately identified at the project level, difficult to constitute control groups
3	Measurability of the effects	No	The current indicators system has significant weaknesses and can not capture the relevant effects of the interventions and the programme overall. Nevertheless, the reconstruction of the intervention logic for the future evaluation should propose adequate indicators and methods, starting from the recommendations of this evaluation

The evaluator concludes based on the assessment, confirming the expectations of the MA that quantitative methods for an **evaluation of the net impact of the intervention are not appropriate**

3. Data Availability

A model for data management for the impact assessment is presented in Annex 2.10.

The model indicates the variables of interest, corresponding indicators, data, sources and a preliminary estimate of their availability and accessibility. An update of the data availability would be necessary before launching the impact assessment to size the duration and the value of the evaluation correspondingly.

4. Institutional context, practicality and utility

Main findings regarding the programme impact assessment planned.

The impact assessment planned to start in October 2021 is not recommended because the progress in implementation and the level of achievement is not sufficient. The programme impact assessment should be performed as an ex-post evaluation at least one year after the end of the implementation of the programme.²⁰ Alternatively, before the end of the programme implementation, we recommend a second ongoing evaluation focused on effectiveness and impact. However, we suggest being implemented in the second part of the 2022 or first part of 2023.

The evaluation questions

The three proposed evaluation questions (listed at the beginning of this section) are adequate for an impact assessment

We recommend a light adjustment of the questions for clarity reasons, including two additional questions. We merged the question about the gross effect achievement and the one on progress to date. We added an extension of the programme contribution on non-intended effects which add value to the programme, mainly in a fast or even dramatic changing environment. In the third question, we propose the evaluator to explain how the effects are produced, enriching the question initially limited to the positive factors. Thus, the evaluators should explain what works and what does not work to be considered in the future. And finally, we added a question specific for a cross-border programme.

1. To what extent the programme specific objectives will be achieved based on the progress to date?
2. What is the contribution of the programme to the achievements of the specific objectives? Are others not intended or spillover effects generated?
3. How the intended results are produced, what are the positive and negative factors that influence the achievements?
4. To what extent the interventions funded contribute to the increase of the level of the cross-border cooperation and the cohesion in the eligible area?

Methodology

The methods recommended in a logical sequencing are presented below

Method/instrument	Scope and justification
The desk research study of documents	Method will start in the inception phase and will continue over the entire evaluation In inception will include a study of the programme documents
Data availability assessment	Based on the suggested data of this evaluation, the analysis of this evaluation, the indicators system revisions data availability assessment will be updated.
Statistical and administrative data collection	Part of the data could be already collected in the inception phase

²⁰Art 56 and 57, REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

Theory of change reconstruction	The theory of change of the programme (according to the programme document, the modifications, and the ongoing evaluation is reconstructed, to reflect all the changes in the programme, of the interventions effectively implemented. This is the foundation of the entire evaluation. The theory of change will be validated or invalidated at the end of the evaluation, and reflected mainly in the third question, explaining how the results and the impact is produced.
Interviews	The interviews in the inception phase will aim at understanding the interventions, the status of implementation and what are the key issues of interest the evaluation to focus on.
Focus group – theory of change and exploratory	This focus group will bring together key persons that understand best the programme to validate the understanding,
Statistical and administrative data collection and processing	Statistical and administrative data regarding the context (context data) Data regarding the programme implementation and projects (programme monitoring data) Data regarding the stakeholders, beneficiaries of funding, final beneficiaries
Surveys	On e survey on beneficiaries is expected but also survey on final recipients (we suggest in TOR as a minimum requirement the survey on beneficiaries the tenderers to propose additional surveys according to their methodological approach.
Case study	A minimum of one case study per investment priorities 6b 6c 7b 7c 8b 5b 9a The case study should aim to assess the effectiveness and potential impact of the projects with larger funding and expected higher effectiveness.
Various analysis tools	The tenderers may have the freedom to propose the most effective ones.
Focus Grupo	One or more thematic focus groups may be organized to cover the themes of the PA One final focus group would be useful for validation of the conclusions and recommendations with the Programme management structures.
Territorial representation of data	Visualization of data using GIS maps
Best practice	What are the interventions with the highest level of crossborder- cooperation

Practicality and utility

There are good premises for the practicality and utility of the evaluation, based on the positive attitude of the large part of the stakeholders in the MA, HUNA and JS, MC members.

Lower interest is shown by the beneficiaries of funds proving a low availability for the participation in the evaluation events, surveys. This risk is manifested in similar studies and evaluations and should be considered as a negative factor. Therefore, the tenderers should have the flexibility and be encouraged to propose adequate data collection methods.

3.7 Other questions

AQ 1	n/a	1. <i>To what extent lessons learned from the previous Cooperation Programme (2007-2013) contributes to the performance of projects and Cooperation Programme? (additional question)</i>
AQ 2	n/a	2. <i>To what extent the projects financed through the Cooperation Programme are complementary or in synergy with the ESIF projects implemented in the eligible area? (additional question)</i>
AQ 3	n/a	3. <i>What changes are needed in the future Cooperation Programme to improve the relevance, effectiveness and durability of the cross-border cooperation projects? (additional question)</i>

To what extent lessons learned from the previous Cooperation Programme (2007-2013) contributes to the performance of projects and Cooperation Programme?

The ROHU Programme includes some lessons learned from the predecessor programme HURO CBC Programme (pages 18- 21). The lessons learned are formulated as challenges or weaknesses of the programme, and not really as a practice on how to deal with them.

The evaluation team analyzed the lessons to conclude to what extent the current programme complied with them. The most significant lesson learned not applied refers to the thematic concentration. Overall, the situation is similar to HURO, with eight Ips. While one Ip, 9a has 38% of the total programme allocation the remaining amount is shared by the other seven Ips.

The interventions of the labour market and health systems deal with similar issues highlighted in the lessons learned of the HURO evaluation, i.e. the low potential of the projects financed to produce a significant impact on the labour market, and the limitations of the regulatory framework to facilitate the institutionalisation of the knowhow and learning acquired by the projects partners.

The analysis carried out within the desk research presented in Annex 2.17 presents how the lessons learnt, and measures foreseen in different areas were applied or not at the level of current programme design.

From the case studies, focus groups and survey carried out, there are also identified some interesting reflections from the beneficiaries regarding how they used the previous experience.

At the programme level, the beneficiaries perceive that the previous programme experience contributed to an improvement of the Programme in certain areas such as *better communication among Programme management structures and beneficiaries, improved capacity of the Programme management structures to provide support to the beneficiaries*.

At the project level, the beneficiaries also used the previous experiences and lessons learned, the most important ones outlined being:

- good partnership: choosing the right partner, working together rather than separately or building partnerships based on previous collaborations
- good monitoring of the project progress
- *more time allocated for procurement procedures; the number of the technical experts was increased, including the nominalization of a technical coordinator for better monitoring the technical part of the project*
- *More attention allocated to the project preparation stage*

Also, some of the studied projects such as the ones from PA 1 and 2 (ROHU 140 from PA1 or ROHU-35 from PA2) continued the investments implemented in the previous period as part of a larger development plan or are in complementary with other previous projects or building on results or best practices from the previous programming period (e.g. PA1-ROHU128, PA5 ROHU 28 and ROHU42).

At the project level, **lessons learned from the previous Programme** contributed to the improvement of the Programme to a different extent, according to the beneficiaries. Among those who contributed the most are better communication among Programme management structures and project beneficiaries, more efficient implementation system, improved capacity of the Programme management structures to provide support to beneficiaries

Beneficiaries consider that **concrete measures** as “*organizing several information and training sessions for beneficiaries*” and “*accepting the payment request to facilitate the purchase of high-value equipment by hospitals*”, could improve the programme implementation process and performance

Also, the answers to the survey question “*To what extent do you perceive at the project level that the lessons learned from the previous Programme contributed to the improvement of the Programme*” highlighted that around 30% of the respondents perceive that the lessons learned from HURO 2007-2013 contributed to more efficient implementation, better communication among the Programme management structures and project beneficiaries, more friendly tools and improved capacity of the Programme management structures, which confirms the information collected from case studies and focus groups.

However, from all instruments negative opinions such as more bureaucracy of the current programme compared to the previous one, more administrative rigidity compared to a more flexible approach in the previous programming, were also emphasized by the respondents.

Main findings

The 10 lessons learned extracted from the Ongoing Evaluation 2007-2013 of HURO Cooperation Programme were almost entirely applied in the ROHU programme, except the one regarding the thematic concentration. The current programme as its predecessor is insufficiently thematically focused, with the eight investment priorities, although Ip 9a reached after reallocations 38% of the total funding. The programme continues to be as HURO Programme concentrated on infrastructure with 35% allocation to flagship projects and significant allocation TO normal projects with infrastructure component. Other two lessons learned regarding the labour market and the health infrastructure are partially applied. Similar issues to HURO Programme are found in the current one, i.e. the low potential of the interventions Ip 8b to produce a significant impact on the labour market and the limitations of the regulatory framework to institutionalise the learning and the transfer of the know-how in health services related to the infrastructure investments. At the project level, the beneficiaries confirmed that the learning acquired in the HURO Programme contributed to their increased capacity to manage projects, to use to programme tools and communicate with the Programme management structures.

To what extent the projects financed through the Cooperation Programme are complementary or in synergy with the ESIF projects implemented in the eligible area?

A large number of development programmes are available for the stakeholders in the eligible area. A synthetic view of the most relevant EU funds, ESIF national/sectoral programmes and CBC programmes are presented in Annex 2.18. Most of the stakeholders benefit from other opportunities for funding CBC interventions except those operating in Békés and Arad counties. The Regional Operational Programme (ROP), Large Infrastructure OP, Human Capital OP (HCOP), National Rural Development Programme are the main complementary programmes on the Romanian side while the Territorial and Settlement Development OP (TOP), the Environmental and Energy Efficiency OP (EEEOP), Economic Development and Innovation Operational Programme (EDIOP), Integrated Transport OP (ITOP), Public Administration and Civil Service Development OP (PDOP), Rural Development OP (RDOP) and the Human Resources Development OP (HDOP) are on the Hungarian side.

The detailed inventory of the complementary funding presented in Table 2 from Annex 1.18 shows **significant complementary funds available and already contracted in the eligible area on the two sides of the border**. Overall, there is a relatively good balance of the funding on the two sides of the border for the programmes assessed. The different sizes of the population and the extent of the infrastructure may be the reason. Still, there are differences between the contracted amounts in the counties, but the programme is ongoing and contracted values may change. Complementarities with other CBC programmes are significant. Szabolcs-Szatmár-Bereg is eligible in three CBC programmes, Satu Mare, Timis and Csongrad in two CBC programmes and the others only in this one.

The main **key complementarities identified** from the desk analysis research include:

- **Health infrastructure funded from other ESIF.** In Romania, the needs for investments in health infrastructure are high (as mentioned in the programming documents), and the dedicated funds from ROP cannot satisfy the needs. The depreciation of the infrastructure, functioning in old buildings does not allow the implementation of modern and high-quality medical services. For this type of investments as well as in the case of IP 7b, IP 7c, IP 6b, we note large allocations from complementary funds in the Romanian counties of the eligible area. At the level of the two operational programmes from Hungary – TOP and HRDOP, for IP 9a dedicated health, Csongrád County stands out with the value of the signed contracts with a value EUR 128.7 million that will absorb 41.78% of the value attracted at the level of the four counties. The contradiction is that this county attracts this amount with a contracts number of only 63 projects (14.8% of the number of contracts signed on the four counties), being the lowest at the level of stakeholders. The largest range of signed contracts is in Szabolcs-Szatmár-Bereg County (184 projects), but the average value of the projects is small, about EUR 0.66 million. In the eligible area on both sides of **the border around EUR 414.12 million**, ESIF funds are already contracted for similar or complementary to IP 9a investments, including health infrastructure and soft measures.
- **Complementarities with the projects in transport and environment financed under LIOP** - The projects funded under IP 7b has a strong complementarity with the Express Road Connection Satu Mare (VO Satu Mare) - Oar (Romanian-Hungarian Border - Express Road M49 Hungary for Elaboration of Feasibility Study and Technical Execution Project) project funded from LIOP Romania. Investments in water and waste-water infrastructure in ROHU 2014-2020, are complementary to infrastructure investments in the environmental sector (LIOP in Romania and EEEOP in Hungary). The project ROHU 208 (Improving Quality Management of Cross-border Rivers: Criş (Körös), Mures (Maros) and Tisa (Tisza)) implemented by Arad Water Company Regional Operator in partnership with Waterworks Szeged modernized the wastewater treatment infrastructure.
- **Complementarities with ROP, HCOP, NRDP in terms of contribution to employment** - In case of the interventions under the IP 8b, the projects are focused mainly on training infrastructure and skills development aiming at increasing the employment rate. Despite over the fact that the implementation period of the programme the labour market was subject to significant changes and unbalanced, the impact of training on the employment rate involves a demand of skills for existing jobs or new jobs created. Therefore, as long as under IP 8b, there are not measures for jobs creation, the existence of other complementary jobs creation measures would be a positive factor for achieving the employment rate target.

The interviews and the case studies also revealed a major interest of the beneficiaries to match the different funding sources to meet their objectives. The evaluators discussed with experienced beneficiaries from all categories, from county councils to NGOs or small communities collecting examples of complementarities achieved. The key factor for applying to one programme or another or a specific call is the chance of success. This could also be linked to the capacity of the beneficiaries to manage their portfolios of projects according to the programme calendars, the competition and the specific features of the programmes. The competition is perceived in general high for all programmes offered to the large range of beneficiaries of ROHU. In some cases, the beneficiaries are discouraged by very high competition.

The case studies also offered different insights on the complementarities of the projects financed under the different PAs, namely:

- PA1 projects show a continuation of the results started in the previous CBC programme as well as complementarity with the previous projects financed underfunded other operational programmes, such as the Environment Operational Programme 2007-2013 or the current ones, the Large Infrastructure Operational Programme 2014-2020.
- PA 2 projects show the contribution to a wider local approach and achieve synergy effects together with other projects or local initiatives.
- PA3 projects identify good complementarities with previous CBC programmes as well as ESIF financed projects

- PA4 studied projects are in synergy with ESIF programmes (HCOP, ROP COP) as well as other CBC programmes (HURO, ROSRBRS)
- PA5 studied projects do not have complementarities with ESIF projects but rather with other EU funded or other sources funded projects
- PA 6 projects are often complementary with other CBC projects, national budget projects, the opportunities from ESIF projects being less accessible because of the capacity of the beneficiaries.

There is a largely shared view that the needs for funding are much higher than the funds available in the eligible area on both sides of the border. Hence, ROHU is perceived as an additional source of funding to satisfy the funding needs, but with an additional feature of cross-border cooperation.

In some cases, for the national/sectoral ESIF operational programmes eligible beneficiaries are national authorities and institutions, leaving few opportunities for funding for local authorities and NGOs.

Although ROHU may have similar or even the same type of interventions eligible as other national sectoral programmes, there is a clear demarcation factor, namely the cross-border effect.

The interviewees mentioned in addition to complementary projects in the 2014-2020 programming period, the links of the projects funded from ROHU Programme with previous projects funded either from HU-RO 2007-2013 or other ESIF from the previous programming period. This evidence indicates a capacity to build on previous results, facilitated by the viable partnerships created in the programme area. Examples are provided in the case studies.

Regarding the complementarities with other programmes, the respondents to the survey (although in a limited number) also considered that complementarities are ensured to a large extent in case of other CBC projects, other EU funded projects and national budget funds.

ESIF projects	8.00%
Other CBC projects	35.85%
Other EU funded projects	29.63%
Other IFI projects	6.12%
National budget projects	25.93%
Not relevant/ no project contracted	5.00%

Main findings

There are significant complementary funds available and already contracted in the eligible area on the two sides of the border with a well-balanced distribution of the funding on the two sides of the border for the programmes assessed.

There are many synergies identified in the projects financed under ROHU programme with ESIF programmes, especially with projects regarding health, transport and environment financed from these programmes.

What changes are needed in the future Programme to improve the relevance, effectiveness and durability of the cross-border cooperation projects?

As also emerged from the previous sections (theme 1), in terms of relevance, the Programme is relevant to the identified needs from the programming period, the eligible counties succeeding to satisfy the priority development needs.

The large number of priorities covered by the programme and the limited matching of the priorities of the eight counties led to a less focused concentration of the funds. For the next programming period, a more focused concentration of the funds would support and improve the potential to produce visible and perceptible impacts in the eligible area.

In terms of Programme effectiveness, there are several measures emerged from the analysis provided in the previous sections that refer to an earlier launching of the calls for proposals as well as more simplified systems for project evaluation, contracting and monitoring that would improve the Programme effectiveness.

The sustainability of the cross-border cooperation depends firstly on the capacity and experience of the beneficiaries but also on a proper monitoring system that should timely depict possible Programme evolutions and external factors and take the right measures in due time.

This was a lesson learnt from the previous programme that was not capitalized in the actual programming period so a better capitalization of the lessons learnt from the current programming period would also support the improvement of programme relevance, effectiveness and durability.

The main changes recommended for the next programming period address:

- Increase the concentration of funds with a focus on common problems and common priorities.
- Beyond the common needs to be addressed, the stakeholders should work together to reach joint priorities to a larger extent than in the current programme so that the level of integration of the projects increases and in this way, the cross-border feature and the contribution to the programme area cohesion is enhanced.
- Include the flagship projects in the programme document, using a competitive selection approach, assist in early preparation of the projects ensuring to mature projects at the start of the programme implementation.

- MA, NA and MC should analyse and reach a common vision whether the programme should open more for broader participation, with more projects, more partners in the partnerships.
- Encourage the participation of the stakeholders in the programme management. Thematic working groups could be created during the programming phase and maintained and involved in ad-hoc assessments to inform MC decisions and connect the MC with each field. The thematic working groups can offer learning opportunities to the MC members. Increase the share of MC members from the programme area, observers and as much as possible voting members. Active involvement should be one criterion for the membership in the MC, and non-active members should be replaced.
- The MA, NA and JS with the support of MC should continue joint efforts to reduce excessive bureaucracy and increase flexibility, to increase the level of the institutional trust.

3.8 Conclusions and recommendations

- C.1. The Programme remains relevant to the needs in the eligible area, and the stakeholders succeed through good cooperation to use the funding opportunity and resolve the pressing development needs they encountered. However, the limited matching of the priorities of the eight counties, reflected in the low degree of cross-border integration, mainly in the case of flagship projects, limits the contribution of the programme to the cohesion across borders in the entire eligible area. (findings T1.1)
- C.2. The programming process did not succeed to inspire and help the stakeholders to integrate in an efficient way their plans and priorities in the shared vision formulated in the Common Territorial Strategy leading to significant delays of the entire programme cycle. However, the delays and the time pressure stimulated the decision-makers and stakeholders to adopt at a later stage more constructive approaches in order to speed up the programme implementation. (findings T1.1)
- C.3. The Programme has a balanced relevance to all three EUROPE 2020 Strategy priorities. Still, the extent of the contribution is limited because of the level of funding, and the reduced thematic concentration. (findings T1.2)
- C.4. The coherence of the Programme with EUSDR is enhanced in implementation by coordination at the level of the Monitoring Committee, support in the evaluation process, including scoring incentive, recommendations from the EUSDR Steering Group. Nevertheless, the beneficiaries do not use sufficiently the EUSDR support, and opportunities are open to building new future interventions on EUSDR projects results. (findings T1.3)
- C.5. After a late start of the programme implementation and delayed the launching of the call for proposals (influenced by several external factors, such as incidence of state aid), the programme implementation showed good progress in 2018 and 2019. The stage of implementation (cut-of-date of the evaluation 29.02.2020) provided reasonable evidence that the programme can reach the outputs' targets. COVID-19 pandemic adds significant risks that are difficult to be assessed at this time.
- a. The programme succeeded to commit the entire funding and the outputs assumed in the projects contracted significantly exceed the programme outputs targets. (findings T2.1)
 - b. The results indicators can't capture at this stage any achievement or contribution of the programme, either because **achievement** is rather low until the end of 2019, given the projects' status of implementation, or because **the cause-effect link is too weak** or **the methodology adopted is not suitable to measure the result** and the contribution accurately. JS is currently revising the methodology with a focus on Ip 5b, Ip 9a, Ip 11b. (findings T2.2)
 - c. The project's' effectiveness is mostly affected by the delays and blockages generated by public procurement or administrative procedures and project teams' limited capacity mainly when changes occur or involve a large number of partners, market prices fluctuations or other external factors. (findings T2.2)
 - d. **COVID-19 pandemic adds on significant risks** with impact on projects implementation, on project management and networking or technical operations and further on in the economic and social environment affecting the impact of the programme. Based on the limited knowledge about the pandemic evolution and its economic and social impact, the most affected may be in terms of operations and effectiveness IP 6c (related to tourism) and 11b (related to people to people activities). Health, emergency and labour market-related interventions may be affected by potential changes in the priorities due to other needs emerging from the COVID situation. Overall, all projects are affected, and there is no doubt that they need the flexibility to adapt their interventions and the delivery methods to the new context. (findings T2.2)
- C.6. The decommitment risk considering the COVID-19 pandemic impact remains moderate as before the pandemic, **with realistic chances to undertake effective measures to meet the threshold if the situation evolves positively.**

- a. In the absence of the pandemic the decommitment risk was moderate with realistic chances to undertake effective measures to meet the threshold.
 - b. The three initial scenarios designed at the start of the COVID-19 pandemic, indicated a high risk of decommitment, due to the estimated impact of the lockdown and the potential economic crisis.
 - c. Although at the end of May 2020 there are positive signs of a recovery of the activities and a scenario G based on JS assumptions keeps the risk at the same level as in the absence of the pandemic (**91% achievement of the threshold**), the evaluators maintain scenario D (three months delay in implementation) and scenario F (three months delay plus a 30% margin) as references for the programme management. For these scenarios, the expenditure may reach between 50% and 71% of the decommitment threshold. However, because of insufficient data on the economic environment, it is not possible to estimate accurately the probability of these scenarios. (findings T2.2)
- C.7. The performance framework did not fulfil its role as a tool to measure and stimulate performance due to design errors and unrealistic estimates. Therefore, the failure to meet the 2018 targets should not be understood exclusively as a suboptimal performance, but also because of an imperfect measurement tool. (findings T2.3).
- a. The performance framework proved to have incoherent and either too high or too low targets for the financial indicators and the physical milestones. There is evidence of unrealistic, lacking rigour estimates of the targets, unclear definitions, inappropriate selection, not only for the performance framework indicators but for other outputs and result indicators of the programme.
 - b. The progress in 2019 continues to be slow on some PAs, giving a warning mainly for PA2, PA3 and PA 4. COVID-19 pandemic adds additional negative factors on the achievement of the targets.
- C.8. The Programme is an attractive programme for both Romanian and Hungarian stakeholders. The lower number of projects and partners in the current programme compared to its predecessor is rather due to the programme design - focused on fewer and larger projects, than to other barriers that prevent participation, confirmed by the research. Improvements already implemented are appreciated by the beneficiaries, but further simplification measures, faster, more predictable processes would encourage stakeholders' participation in projects or broader involvement. (findings 2.4)
- C.9. Overall, the evaluation and process was time-consuming. It had a limited efficiency and did not succeed to filter the mature and strategic projects in case of the flagship projects or satisfy the expectations of the beneficiaries in terms of quality assessment including useful and constructive recommendations for the implementation. (findings T3.1, T3.2, T3.3)
- a. The evaluation, selection and contracting were a challenge for the programme management and stakeholders caused by the implementation approximately in parallel of all six calls for proposals.
 - b. The efficiency was diminished by the restricted calls for proposals extending over more than 2 years, involving two rounds of technical evaluation and in some cases extensions of the concept notes contracts.
 - c. The MA and NA do not have a common view on the most appropriate approach to ensure the expertise/ assessors for the evaluation process.
- C.10. The monitoring system is functional and able to monitor projects' progress adequately and inform the management structures and relevant stakeholders to make decisions. However, there is a place for improving the efficiency of the projects' monitoring at the beneficiaries and programme level. (T3.4)
- a. The strengths of the system rely on competent structure with experienced monitors at the MA level, with a clear vision, using risk-based monitoring, the delegation of tasks in parallel with building capacity at JS level including Information Points, operating as a unique team of monitors, a good understanding of the programme and projects.
 - b. The system allows for duplication of tasks between the MA (PMS), JS monitors and the Information Points affecting efficiency.
 - c. The projects' monitoring at the beneficiaries' level requires more discipline and rigour in monitoring, development of monitoring skills for all partners, with guidance and instructions from the management bodies focused on less experienced.
- C.11. The TA Assistance played an essential role in contributing to the programme's objectives. Except the delays in concluding the TA contracts with HUNA and HUFLC, IP due to some difficulties in complying with both the Romanian and the Hungarian legislation, there were no significant problems encountered in the implementation of this PA. The beneficiaries were satisfied with the assistance received. Resources have also been allocated for the preparation of the next programming period, a decision being signed in this respect. (T3.5, T3.6).
- C.12. The MC is working efficiently, combining MC meetings with written procedures decision making, providing an example of learning as well cooperate to reach an agreement, progressing in building trust and working together

for a common interest. The current structure has a low share of partners from the eligible area **representing the subsidiarity approach**. It does not cover key sectors relevant to the programme such as education, cultural and cults, labour market and social services. There is no systematic way (such as thematic committees or working groups) that may facilitate participation and support to informed decisions, collecting, and bringing in the MC debates relevant sector knowledge, ideas and solutions. (T3.7)

- C.13. The implementation system is functional, MA, NA and JS are aware of the problems encountered by the beneficiaries. The legislation and the public administration model focused on procedures do **not allow fast changes to reduce bureaucracy, avoid blockages and speed up processes**. Therefore, **the slow progress perceived by the stakeholders should not diminish the recognition of the goodwill and the efforts proved until now by MA, NA and JS**. (findings T3.8, T3.9)
- C.14. There is evidence of simplifications adopted over the implementation period, but more improvements are expected including fewer documents required in the evaluation, more flexibility in projects implementation with less bureaucratic changes, faster resolution of problems encountered, precise internal deadlines for the managing bodies. The Simplified Cost Options applied as Flat rate on Office and Administrative costs are perceived very useful (although not to all types of projects), and should be extended. (findings T3.8, T3.9)
- C.15. The eMS is functional and able to ensure data collection and reporting of the progress on achievements of the programme financial and output indicators targets. A number of shortcomings limit the efficient use of the system and concern the aggregation of data, avoidance of double entries, links between different parts of the system or tools, track changes in the documents, visualization of synthetic data. Part of the problems identified was already resolved, while others are in the attention of MA and JS or subject to further developments of the system. (findings T3.10)
- C.16. The project sustainability is relying firstly on the capacity and experience of the beneficiaries in carrying out such projects and in foreseeing the right measures from the project design stage. The primary concern of the beneficiaries is project selection and implementation; therefore, the solutions found for the sustainability of operations are not clear or not realistic in some cases or rely on the public bodies in the case of the public institutions. (findings T4)
- C.17. The Programme is committed to combating discrimination, promoting gender equality and promoting the integration of disabled people in society. The guidance is focused on equal opportunities to tackle the barriers faced by minorities, the disabled, and other vulnerable groups and less on concrete examples of activities complying with the horizontal principles to smoothen the clear understanding and concrete application on the beneficiaries' side. (findings T5)
- C.18. The impact assessment planned to start in October 2021 is not recommended because the progress in implementation and the level of achievement is not sufficient. The programme impact assessment should be included in the ex-post evaluation in line with art 57 of the Common Provisions Regulations²¹ after the end of the implementation of the programme. A second ongoing evaluation focused on effectiveness and impact is recommended before the end of the programme implementation, at the end of 2022 – the beginning of 2023. (findings T6)
- C.19. A large number of ESIF mainstream programmes is available for the stakeholders in the eligible area. Significant complementary funds are available and already contracted on the two sides of the border, showing a relatively good balance of the funding for the programmes assessed. The different sizes of the population and the extent of the infrastructure may explain differences between the contracted amounts in the counties. Complementarities with other CBC programmes are significant. Szabolcs-Szatmár-Bereg is eligible in three CBC programmes, Satu Mare, Timis and Csongrad in two CBC programmes and the others only in this one. (additional themes)
- C.20. Only one out of the ten lessons learned from HURO 2007-2013 Programme, formulated in the ongoing evaluation of the programme in 2013 was not fully implemented up to now, i.e. the thematic concentration of funds, which remained low with eight investment priorities. The concentration on infrastructure also remains high, with significant allocations to infrastructure investments within flagship or normal projects, At the project level, HURO allowed beneficiaries to acquire experience and increase their capacity to implement CBC projects efficiently.
- [The recommendations correspond to the conclusions and the findings and are detailed in the Action plan for implementation in Annex 2.20.](#)
- R1. MA and NA should ensure the programming process is more efficient, should be timely started, be more focused on the cohesion of the entire eligible area and that the design of the programme encourages a higher integration of the interventions on both sides of the border and wider participation of the stakeholders. (C1, C2, C3, C4, C8, C9)

²¹ Ibidem 20

- R2. MA, NA and JS²² should ensure support to the beneficiaries and should provide flexibility and quick reaction in order to deal with COVID-19 pandemic and associated social and economic impact. (C5)
- R3. EC, MA, NA should work together to make the necessary changes in the programme to respond to the current challenges in a beneficiary friendly way. (C5, C6, C7)
- R4. MA and NA should work together to adopt a new approach for projects evaluation and selection in the future programme to have a shorter duration and higher quality evaluation and selection process. (C9)
- R5. MA (including Projects Monitoring Service) and JS should increase the efficiency and the effectiveness of the monitoring processes, reconfiguring the share of responsibilities and tasks, gradually increasing the JS capacity (in terms of skills, procedures and tools) and the responsibility. A discrete control and support from MA (PMS) would build a sustainable and efficient monitoring capacity in the eligible area. (C10)
- R6. The support for the beneficiaries should include improvement of the management information system functionalities, development of the monitoring skills, more rigour and discipline, support to beneficiaries to refocus from compliance with implementation procedures to results, sustainability risks and state aid. (C10, C15, C16)
- R7. JS should continue as until now, to provide support to beneficiaries in particular areas of competence, including state aid, anti-fraud, more effective and innovative modalities of applying horizontal principles in their projects, increase awareness on relevant strategies and programmes, such as EUSDR related interventions, results and opportunities. (C4, C17, C19)
- R8. MA and JS should continue the efforts for simplification, including the documents required in the evaluation, no translation required for valid documents in the national language, if not imposed by the audit requirements, more flexibility in projects' implementation with less bureaucratic changes, faster resolution of problems encountered, an extension of simplified costs options in the future programme. (C13, C14)
- R9. MA, NA and JS should provide in the next programming period a clear and reliable calendar for the call for proposals allowing stakeholders to plan their applications coherently throughout the whole period, with other complementary funds and have sufficient time to prepare good quality applications. (C8, C18)
- R10. MA and NA should work together to open the participation of the stakeholders from the eligible area in the programme management, considering the role of observers or voting members, or extending the role of the working groups used in programming over the implementation period, contributing with ideas, solutions from their field of activity. Inactive members should be replaced. (C12)
- R11. The impact assessment planned for 2021 should be redesigned as a second ongoing evaluation focused on effectiveness and impact and implemented (at the end of 2022 - the beginning of 2023) to allow projects to produce as much as possible outputs and contributions to the expected results. Fine-tuning of the evaluation questions and preparation of data would support the quality of the evaluation. (C18)

²² When referring to the MA, NA and JS, this recommendation may apply to other structures under the MA, NA or JS coordination such as the Information Points.